Manitoba

Annual Report
2000 - 2001

Intergovernmental Affairs

Conservation Districts
of Manitoba

MINISTER OF
INTERGOVERNMENTAL AFFAIRS

Room 301
Legislative Building
Winnipeg, Manitoba, CANADA
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August 27, 2001

His Honour
The Honourable Peter M. Liba, C.M.
Lieutenant Governor of the Province of Manitoba
235 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Your Honour:

It is my pleasure to present to you The Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2001 together with the audited financial statements of the Districts for the same period.

Yours sincerely,

Jean Friesen

Jean Friesen
Minister

102-00118/

CONSERVATION DISTRICTS COMMISSION
Room 309, Legislative Building, 450 Broadway Avenue, Winnipeg, MB. R3C 0V8

August 27, 2001

Honourable Jean Friesen
Minister of Intergovernmental Affairs
301 Legislative Building
Winnipeg Manitoba
R3C 0V8

Dear Minister:

I am pleased to present to you the Annual Report of the Conservation Districts of Manitoba for the fiscal year ending March 31, 2001.

It describes various programs in support of our economic and environmental resources, and demonstrates the continuing provincial commitment to the concept of sustainability.

Yours sincerely,

Marie Elliott
Acting Chairperson

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[1] Replaced Winston Hodgins

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Foreword

The Conservation Districts Program operates under the authority of *The Conservation Districts Act*. The objectives of the Act are to provide for the conservation, control and prudent use of resources through the establishment of Conservation Districts and to protect the correlative rights of owners.

The Act provides for the creation of Conservation Districts (CDs) and requires the establishment of a Commission to oversee the activities of the Conservation Districts Boards. The legislation also requires the preparation of an Annual Report which will include: updates on the progress being made by each District in the implementation of their management plans; general remarks in respect to activities related to the establishment of new Districts; and the Auditor's Report for each District. The Manitoba Water Services Board is responsible for the day to day management of the Program.

To assist the Conservation Districts Boards, the Province provides grants each year for up to 75% of the cost of District Programs. In addition, the Districts receive funding through municipal grants and levies and from local landowners. Other sources of funds come from co-operating agencies such as Ducks Unlimited Canada and Prairie Farm Rehabilitation Administration (PFRA), as well as grants from many other public and private agencies. The Departments of Intergovernmental Affairs, Conservation, Agriculture and Food and other Provincial Government Departments also provide certain financial and advisory support to the Districts.

Each Conservation District is required to prepare a resource management plan. Through this process, each District is able to establish a long-term vision, set goals and produce a 5-year Program and operating budget. The Intermountain and Upper Assiniboine River Conservation Districts initiated their management plans during the 2000-01 fiscal year.

Four of the 13 CDs are responsible for the agricultural drainage and crossings systems within their Water Management Mandate. In recognition of the fact that many wooden bridges and crossings exist within these Districts, the Province approved a special crossing infrastructure reserve account of $0.5M in 2000-01, for replacing aging bridges and crossings in the Whitemud Watershed.

District Expansions

Since 1972, 13 Districts have been established including the newly formed Tiger Hills and Lake of the Prairies Conservation District in 2000. The Upper Assiniboine River CD has expanded into the Rural Municipalities of Woodworth and Archie.

Additional expansions are being considered for the Little Saskatchewan River Conservation District to include the Rural Municipalities of Harrison, Strathclair, Park and the Town of Rapid City. The Rural Municipalities of Riverside and Hillside have recently expressed interest in joining the Tiger Hills and Lake of the Prairies Conservation Districts respectively.

Municipalities have submitted proposals to form the La Broquerie (Rat/Joubert) CD, Plum River CD, Mid Assiniboine River CD and the La Salle Redboine CD.

Other Areas of Interest

During the year, a number of meetings were held with various municipal groups who have shown interest in forming new Conservation Districts. The most notable of these include:

- East Interlake including the Municipalities of Bifrost, Gimli, Fisher, Armstrong and the Towns of Gimli, Arborg and Riverton,
- Lac du Bonnet including the Municipalities of Alexander, Brokenhead, Lac du Bonnet, Whitemouth, Pinawa, Reynolds and the Towns of Lac du Bonnet and Pinawa, and
- East St. Paul.

As momentum is gained in environmental consciousness and governments and industries begin to promote, encourage and adopt the idea of sustainable development, the Districts will be recognized as having already carved out an important niche in this area. Indeed, many resource interest groups now recognize the Conservation Districts as leaders in resource management in the Province and see them as ideal organizations through which to implement co-operative resource management ventures. Their expertise and delivery structure can be utilized to ensure that the aspiration of sustainable development becomes a reality.

Program Activities

In 2000-01, in addition to the Provincial and local funding, the CD Program generated approximately $1.0M from external partnerships. The Program involves over 500 District and Sub-District Members with an annual expenditure of $5.2M, employing approximately 100 full-time and part-time employees. The total expenditure comprised of Provincial grants (57%), Local levies and contributions (26%) and External funding (17%).

With three levels of funding (Provincial, local and external), the following is a summary of activities and/or accomplishments for the fiscal year 2000-01:

Forage Seeded	17,457.39 ha
Drains Maintained	1,233 km
Grassed Waterways (defined)	18 km
Gullies Repaired	6 projects
Education Program	72 schools
Crossings Repaired/Replaced	208 projects
Trees Planted	83,717 trees
Water Storage	45 projects
Wells Sealed	212 projects
Fisheries Projects	21 projects
Wildlife/Habitat Projects	47 projects
Watershed Plans	8 in progress
Stream/Creek Rehabilitation and Stabilization	20 projects
Planned Grazing	12 projects
Watering Systems	21 units
Livestock Crossings/Access Ramps	21 projects
Recreation/Tourism	2 sites
Water Quality Initiatives	705
Conservation Tillage	7 sites
Winter Cereals	400 ha
Tours/Demonstrations/Extensions	300
External Funding (excluding in-kind)	$870,073

Conservation District Grants

Up to 75% of the costs of Conservation Districts Programs are funded by Provincial grants. The grants are provided in support of local District Programs such as drainage maintenance and rehabilitation, soil conservation, water storage, wildlife habitat, public education, administration and a variety of other resource conservation Programs.

CONSERVATION DISTRICT GRANTS 2000-01

DISTRICT	PROVINCIAL GRANTS
Alonsa	$218,000
Cooks Creek	192,000
Intermountain	150,000
Kelsey	75,000
Lake of the Prairies	36,000
Little Saskatchewan River	110,000
Pembina Valley	250,000
Tiger Hills	33,000
Turtle Mountain	314,000
Turtle River	448,000
Upper Assiniboine	210,000
West Souris River	200,000
Whitemud	670,000
TOTAL	$2,906,000

NOTE: - Please refer to the Audited Financial Statements in the appendices for details on local/external funding and total expenditures.

Programme des districts de conservation

Avant-propos

Le Programme des districts de conservation existe en vertu de la *Loi sur les districts de conservation*. La *Loi* a pour objet de prévoir la conservation, le contrôle et l'emploi judicieux des ressources par l'établissement des districts de conservation, ainsi que de protéger les droits des propriétaires en ces matières.

La *Loi* prévoit la création de districts de conservation et exige la mise sur pied d'une Commission chargée de superviser les activités des conseils des districts de conservation. La *Loi* exige également la préparation d'un rapport annuel comprenant les éléments suivants : mises à jour concernant la mise en œuvre des plans de gestion dans chaque district; remarques générales sur les activités liées à la mise sur pied de nouveaux districts; rapport du vérificateur provincial pour chaque district. La Commission des services d'approvisionnement en eau du Manitoba est responsable de la gestion quotidienne du Programme.

Pour aider les conseils des districts de conservation, le gouvernement provincial accorde chaque année des subventions pouvant atteindre 75 % du coût des programmes des districts. Les districts reçoivent un financement supplémentaire sous forme de subventions municipales et de redevances payées par les propriétaires fonciers de leur région. Les autres sources de financement comprennent les contributions d'organismes coopératifs tels que Canards illimités Canada et l'Administration du rétablissement agricole des prairies (ARAP), ainsi que des subventions accordées par de nombreux organismes publics et privés. Les ministères des Affaires intergouvernementales, de la Conservation, de l'Agriculture et de l'Alimentation, ainsi que d'autres ministères provinciaux, apportent également leur aide aux districts, que ce soit financièrement ou sous forme de consultation.

Chaque district de conservation est tenu de préparer un plan de gestion des ressources. Cela lui permet d'établir une vision à long terme, de se fixer des objectifs et d'élaborer un programme et un budget de fonctionnement sur cinq ans. Le district de conservation de la partie supérieure de la rivière Assiniboine et celui d'Intermountain ont commencé leur plan de gestion durant l'exercice financier 2000-2001.

Quatre des 13 districts de conservation sont responsables du drainage agricole et des voies de passage dans le cadre de leur mandat de gestion de l'eau. Étant donné qu'il y a beaucoup de ponts et de voie de passage en bois à l'intérieur de ces districts, le gouvernement provincial a approuvé une réserve spéciale de 500 000 $ en 2000-2001, dans le but de remplacer les ponts et les voies de passage en mauvais état dans le bassin de drainage de la rivière Whitemud.

Expansion des districts

Depuis 1972, 13 districts de conservation ont vu le jour. Les deux plus récents, créés en 2000, sont ceux de Tiger Hills et du lac des Prairies. Le district de conservation de la partie supérieure de la rivière Assiniboine s'est étendu aux municipalités rurales de Woodworth et d'Archie.

D'autres expansions sont envisagées pour le district de conservation de la rivière Little Saskatchewan qui pourrait inclure les municipalités rurales de Harrison, Strathclair et Park, ainsi que la ville de Rapid City. Les municipalités rurales de Riverside et de Hillside ont exprimé récemment leur intérêt à se joindre aux districts de conservation de Tiger Hills pour la première et du lac des Prairies pour la seconde.

Des municipalités ont proposé de former les districts de conservation de La Broquerie (Rats et Joubert), de la rivière Plum, de la partie médiane de la rivière Assiniboine et de La salle Redboine.

Autres sujets d'intérêt

Au cours de l'année, plusieurs réunions ont eu lieu avec des groupes municipaux qui ont exprimé un intérêt envers la formation de nouveaux districts de conservation. Parmi ceux-ci, mentionnons en particulier :

- East Interlake regroupant les municipalités rurales de Bifrost, Gimli, Fisher et Armstrong, ainsi que les villes de Gimli, Arborg et Riverton;
- Lac du Bonnet regroupant les municipalités rurales d'Alexander, Brokenhead, Lac du Bonnet, Whitemouth, Pinawa et Reynolds, ainsi que les villes de Lac du Bonnet et Pinawa;
- East St. Paul.

Alors que les préoccupations environnementales ne cessent de gagner du terrain et que les gouvernements et les entreprises commencent à promouvoir, encourager et adopter l'idée du développement durable, on peut dire que les districts se sont déjà taillé une place importante dans ce domaine. De nombreux groupes d'intérêts dans le secteur des ressources naturelles estiment que les districts de conservation jouent un rôle de premier plan dans la gestion des ressources de la province; ils les considèrent comme des organismes de choix pour mettre en œuvre des projets coopératifs de gestion des ressources. Grâce à leur expertise et à leur structure d'exécution, les districts de conservation peuvent faire en sorte que l'aspiration au développement durable devienne une réalité.

Activités du Programme

Au cours de l'année 2000-2001, en plus du financement provincial et local, le Programme des districts de conservation a conclu avec des partenaires extérieurs des ententes qui ont rapporté environ un million de dollars. Le Programme rassemble plus de 500 membres de districts et de sous-districts. Ses dépenses annuelles s'élèvent à 5,2 millions de dollars et il emploie une centaine de personnes à temps plein et à temps partiel. L'ensemble des revenus se partageait entre les subventions provinciales (57 %), les redevances et contributions locales (26 %) et le financement externe (17 %).

Voici un résumé des activités et réalisations accomplies au cours de l'exercice financier 2000-2001 grâce aux trois niveaux de financement (provincial, local et externe) :

Plantation de graines fourragères	17 457,39 hectares
Entretien des canaux de drainage	1 233 km
Traçage de voies d'eau gazonnées	18 km
Restauration des ravines	6 projets
Programme éducatif	72 écoles
Réparation et remplacement des voies de passage	208 projets
Plantation d'arbres	83 717 arbres plantés
Emmagasinement des eaux	45 projets
Imperméabilisation des puits	212 projets
Pisciculture	21 projets
Faune et habitat naturel	47 projets
Aménagement hydrographique	8 projets en cours
Réhabilitation et stabilisation dse ruisseaux	20 projets
Planification de pacages	12 projets
Systèmes d'arrosage	21 unités
Voies de passages et rampes d'accès pour le bétail	21 projets
Tourisme et loisirs	2 sites
Initiatives sur la qualité de l'eau	705
Travail de conservation du sol	7 sites
Cultures céréalières d'hiver	400 ha
Tournées et expositions	300
Financement externe (sans compter l'aide en nature)	870 073 $

Subventions aux districts de conservation

Les subventions provinciales couvrent jusqu'à 75 % du coût des programmes des districts de conservation. Ces subventions sont versées pour aider les districts locaux à mettre en œuvre leurs programmes, notamment le drainage, l'entretien et la réhabilitation, la préservation du sol, l'emmagasinement des eaux, la protection de l'habitat faunique, l'éducation du public et l'administration, ainsi que toute une série de programmes de conservation des ressources.

SUBVENTIONS AUX DISTRICTS DE CONSERVATION EN 2000-2001

DISTRICTS	SUBVENTIONS PROVINCIALES
Alonsa	218 000 $
Ruisseau Cooks	192 000 $
Intermountain	150 000 $
Kelsey	75 000 $
Lac des Prairies	36 000 $
Rivière Little Saskatchewan	110 000 $
Vallée de la Pembina	250 000 $
Tiger Hills	33 000 $
Turtle Mountain	314 000 $
Rivière Turtle	448 000 $
Partie supérieure de la rivière Assiniboine	210 000 $
Ouest de la rivière Souris	200 000 $
Rivière Whitemud	670 000 $
TOTAL	2 906 000 $

NOTA : Veuillez consulter les états financiers vérifiés en annexe pour des détails sur le financement local et externe et sur les dépenses totales.

Alonsa Conservation District

Introduction

The Alonsa Conservation District is located along the western shores of Lake Manitoba and encompasses approximately 445,000 ha of land comprised of the Rural Municipalities of Alonsa and Lawrence, communities of Alonsa, Amaranth, Eddystone, Crane River and Rorketon. The District has been involved in Soil and Water Management Programs since its inception in 1978. Soil and water management decisions are based primarily on resource conservation and environmental awareness.

The landscape is a series of gentle undulations of ridges and sloughs. The major watersheds of Garrioch Creek, Sucker Creek, Hamlin Drain and Reedy Creek, in addition to several other waterways, drain into Lake Manitoba, Ebb & Flow Lake and Lonely Lake. District Programs include water and soil management, as well as fisheries, wildlife, forestry, historical, educational and recreational projects.

ALONSA CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#107 - Crane River/Hamlin Drain	Steve Kindzerski	Rorketon
#110 - Garrioch Creek	Leonard Ryznar	Alonsa
#113 - Lonely Lake/Ebb & Flow	Eldon Campbell	Kinosota
#157 - Weiden Drain	Steve Sliworsky	Rorketon
#160 - Kinosota Ridge	Clifford Elke	Amaranth
Provincial Appointee and Chairperson	Edward Zdan	Alonsa

Summary

The District's Programs included the National Soil and Water Conservation, Channel Maintenance, Crossing Repair and Replacement, Pickerel Spawning Project, Forage Seed (under the Soils Conservation Program), Forestry and Wildlife, Tree Planting Projects, Infrastructure/Crossing Repair, Educational Extension, development of aboriginal historic sites, maintenance of existing trails and projects, as well as educational activities. These Programs reflect the Board's commitment to carry out its mandate of conserving, sustaining and preserving the diverse resources that make this area unique, while keeping the local economy strong.

Funding support for the Alonsa Conservation District is supplied by Intergovernmental Affairs, its main partner, Fisheries Enhancement Fund, Federal and Provincial Student Employment Programs such as the Green Team and the Career Placement, Manitoba Hydro and Culture and Heritage. As well, the District forms funding partnerships with local producers for Programs, which are based on a common interest in the environment and sustainable development.

TOTAL EXPENDITURE 2000-01

Activity		Expenditure
Water Management		$40,325
Water Management - Beaver Damage		34,704
Crossing Repair		17,497
Surveying and Engineering		5,000
Well Capping Program		3,810
Soil Conservation		59,060
Forestry		238
Wildlife		1,419
Fisheries		14,630
Public Relations and Education		46,369
Administration		104,204
Depreciation		1,920
World Wildlife Fund - Lafes Project		10,946
Alex Robertson Museum		6,080
Infrastructure Reserve Fund		13,333
	TOTAL	$359,535

For further details see Auditor's Report, Appendix A.

Water Management

The focus of this year's Program was the upkeep and repair of existing drains and projects within the District. Beaver damage control and clearing several overgrown drains formed the major part of the Water Management Program. A significant amount of survey work was also carried out in the newly expanded portion of the District. There have been several applications for Water Rights Licenses for a number of projects. Well Capping Projects were also undertaken at a cost of $3,810.

Crossing Repair and Replacement

Regular repair and replacement of several aging crossings accounted for the expenditures under this Program. Numerous pipe crossings were replaced, with much of the work occurring in the northern Sub-Districts.

Recreation

No monies are directly expended in this category. However, there is maintenance of existing trails and projects such as Bluff Creek Nature Trail, Bluff Creek Church, Jackpine Ridge Wayside Park, Portia Marsh Interpretive Centre, Bacon Ridge Complex, Amaranth Marsh Project, McKay Park, Lady Slipper Viewing Site, Ceremonial Site and the Thunderbird Nest.

Public Education

There is considerable effort to promote the District's attractions. Tours of the Portia Marsh Interpretive Centre are conducted regularly and many casual visitors come to this site. Other educational sites include the Bacon Ridge Complex, the Bluff Creek Nature Trail, the Lady Slipper Viewing Site, the Jackpine Ridge Wayside Park, the Thunderbird Nest Site, the Tobacco Rock Site and the aboriginal petroform site called the Medicine Wheel, which lies within the Alonsa Prairie Farm Rehabilitation Administration pasture. Signage at these sites make them self-guiding and educational. Perhaps one of the most novel projects is the restoration of the Bluff Creek Church, which is part of the attraction of the Bluff Creek Nature Trail.

Detailed descriptions of the District's facilities and tour invitations have been sent to all schools within the District, as well as schools within a reasonable travelling distance. The Manager, University student summer staff and Ducks Unlimited Canada staff continue to guide these tours.

Maintenance and construction of projects continues mainly due to efforts of students hired under various employment Programs, including the Summer Career Placement, the Green Team and the On-Site Program. The students come away with a sense of pride in the work they have done, landscaping skills they will carry with them throughout their lives and a new awareness of wildlife and nature. These experiences make them more receptive to the presentations given at the school by the Manager. The District also donates a number of magazine subscriptions to each of the schools, sponsors a Tree Planting Project with several grades and sponsors various awards for students. A Farm Family Award is also sponsored. This year, Julius and Pauline Kopp and family of Amaranth won this award.

Heritage

The District continued to support the Alex Robertson Museum. This year, a total of $6,080 was spent on various projects, including maintenance of the Bluff Creek Church, a historical landmark. Monies raised locally or through external grants covered these expenditures.

Administration

The District administration costs, consisting of staff salaries and expenses and Board remuneration, have remained fairly constant during the past several years. Vehicle expenses and office expenditures reflect the increased cost of the expanded District.

Depreciation

Depreciation costs of the District's non-cost shared equipment amounted to $1,920.

Cooks Creek Conservation District

Introduction

Established in 1979, the Cooks Creek Conservation District (CCCD) lies east of Winnipeg and includes most of the Cooks Creek Watershed which discharges into the Red River and parts of the Carrs Creek and Lower Seine River basins, both of which flow into the Red River Floodway. Topography, soils and vegetation of the Watershed are distinguished by an eastern upland area and a central lowland area. The District's proximity to Winnipeg has led to an influx of commuter residents in the rural areas as well as in the communities of Anola, Cooks Creek, Dugald, Hazelridge, Oakbank, Ste. Genevieve and Richer. The 86,200 ha Conservation District includes most of the Rural Municipality of Springfield and small portions of the Municipalities of Taché, Ste. Anne, Brokenhead and Reynolds.

COOKS CREEK CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#9 - Lower Seine River	Ron Dubinsky	Dugald
#11 - Cooks Creek	Glenn Keilback	Beausejour
# 12 - Carrs Creek	George Sokal	Oakbank
Provincial Appointee	Vacant	
Board Chairperson	Garry Brown	Dugald

Summary

The summer and fall of 2000 was one of the wettest in recent memory and reinforced the importance of maintaining and upgrading of the District's drainage waterways. To that end, the District reconstructed 3 km and undertook earth cleanouts along 11 km of drains that included the Cooks Creek Diversion tributary drains. It also sprayed 176 km and mowed or brushed 59 km. Culvert crossings were upgraded at 11 locations and repairs were done at over 20 other sites. A preliminary study was done on water retention in the upper watershed Salmon Lake marsh area east of Richer.

The District sealed 23 large and small diameter wells to protect groundwater quality and continued to collect surface water quality samples from 6 sites along Cooks Creek. A report on the 1999 fisheries-riparian study was completed. The District sponsored the "On the Go" Conservation Education Program to visit four local schools. The District also continued to sponsor the annual Youth Speaking Contest, 4-H Public Speaking, Conservation Farm Family and the Manitoba Conservation Districts Association (MCDA) Conference.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Water Management		$290,718
Cooks Creek Diversion Tributary Drains		66,616
Water Quality		23,870
Fisheries		2,022
Crossings		57,398
Public Education		10,844
Program Management		76,358
	TOTAL	$527,826

For further details please see Auditor's Report, Appendix B.

Water Management

Frequent and excessive summer and fall rains caused wet conditions that made construction difficult and contributed to the significant losses of agricultural crops. This reinforced the importance of on going maintenance and upgrading of the District's drainage waterways. District activities included the reconstruction of 1.5 km of the Spruce Drain and 1.5 km of the Centre Line Drain and 9 km of earth cleanouts. Spraying for cattails and brush along 103 km and mowing or brushing along 56 km was done. The Program also included beaver population control, removal of beaver dams and miscellaneous earthworks.

The District hired a works coordinator to manage construction works. The survey crew included a surveyor and a rod-person. Some funding assistance came from Human Resources Development Canada. The District also hired a consultant to undertake a preliminary study of upper watershed retention in the Salmon Lake marsh east of Richer. The study was cost shared with Manitoba Conservation and with the Municipalities of Ste. Anne and Taché.

Cooks Creek Diversion Tributary Drains

The District undertook maintenance and upgrading of the drains within the Cooks Creek Diversion Project area. Maintenance activities included 2 km of earth cleanouts, 3 km of brushing and 73 km of cattail or brush spraying. Upgrading was undertaken on two crossings of the Oakwood Drain and one crossing of the Oakbank Drain, as well as repairs to other crossings. Surveying and engineering was started for the proposed diversion channel of the Oakbank Drain along the north of the Canadian Pacific Railway. The Tributary Drain Projects were funded entirely by the Rural Municipality of Springfield.

Water Quality

Twenty-three abandoned wells, consisting of 8 drilled and 15 dug wells, were sealed with funding assistance from the Sustainable Development Innovations Fund and from Prairie Farm Rehabilitation Administration (PFRA). Over 140 wells have been sealed since 1994 to help protect groundwater quality. Surface water quality samples continue to be taken at regular intervals from six locations along the Cooks Creek waterway. Analysis costs are funded by Manitoba Conservation's Water Quality Management section with funding help from the Federal PFRA National Soil and Water Program (NSWP).

Fisheries

The District completed a final report on a fisheries-riparian study that was undertaken in 1999. Fourteen different fish species were identified from fish netting at 14 different sites in the Cooks, Edie and Satans Creeks. The study also identified obstructions to fish passage such as ford crossings and beaver dams and also identified erosion sites. Thanks go to the Fisheries Enhancement Initiative (FEI), the Special Conservation Fund and the Critical Wildlife Habitat Program for funding assistance.

Crossings

The Crossing Program consisted of the repair or replacement of culverts and bridges. One culvert was installed by hydraulic jacking through Provincial Road 207 and Carrs Creek to increase flow capacity. New culverts were installed at seven locations. The District also undertook repairs to culverts and floodgates at over 20 sites and made minor repairs to 1 bridge. The replacement and maintenance of crossings is a significant part of the management of the drainage waterway infrastructure.

Public Education

The District was pleased to sponsor the Ducks Unlimited Canada Oak Hammock Marsh "On the Go" Program to visit four local schools. The District also sponsored trophies and participated in the Springfield 4-H Public Speaking Contest. One summer student was hired under the Green Team Program. The Conservation Farm Family award went to Myron and Judy Gavaga of Oakbank. Angela Zilke of Cooks Creek was the Youth Speaker. The District also contributed to the Manitoba Conservation District magazine. Board and Sub-District Members, staff and a local newspaper reporter attended the annual MCDA Conference in Brandon.

Program Management

District office staff consisted of a full time Manager and part time Administrator. Program management also provided for office rent, administration, vehicle travel and remuneration costs for Board and Sub-District Committee Members.

Intermountain Conservation District

Introduction

On July 15, 1997, the Intermountain Conservation District (IMCD) was officially established as Manitoba's ninth Conservation District. Nestled between the Riding Mountain National Park and the Duck Mountain Provincial Forest, the landscape of the District varies from steep forested escarpment areas to lakeshore agricultural land. Encompassing an area of nearly 7,200 square km, the IMCD is the Province's largest Conservation District.

Municipalities participating in the Conservation District include the Rural Municipalities of Dauphin, Gilbert Plains, Grandview, Ethelbert, Mossey River and Mountain South, the Villages of Winnipegosis and Ethelbert, the Towns of Gilbert Plains and Grandview and the City of Dauphin. In this respect, the IMCD is unique in being the only Conservation District in the Province to have an urban centre the size of the City of Dauphin within its boundaries and as such is faced with a variety of challenges and opportunities that arise from this feature.

Water management concerns have always dominated much of the area and are, in fact, the issue which brought the municipalities in the area to investigate the opportunities available to them through the Conservation District Program. As such, many of the Resource Management Programs implemented throughout the District address the local water-related issues. The diversity of the local landscape, wildlife resources and scenic features within the District also create a variety of opportunities (recreational, educational and other) that the IMCD continues to incorporate into its Programs.

INTERMOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#47 -Vermillion River	Boris Michaleski	Ashville
#48 - Wilson River	Mervin Mitchell	Grandview
#93 - Upper Valley River	Colin White	Grandview
#95 - Lower Valley	Syd Puchailo	Grandview
#102 - Fishing/Fork/Mossey	Jim Lytwyn	Winnipegosis
#103 - Garland/Point	Ron Kostyshyn	Ethelbert
#105 - Pine/Sclater/Duck	Albert Strilkiwski	Ethelbert
Provincial Appointee	Walter Mischuk	Grandview
Board Chairperson	Ernie Bayduza	Dauphin

Summary

The IMCD continues to incorporate new ideas and technology into many of its Programs, including bioengineering and alternative applications for geotextile within Conservation Programming.

Addressing issues of water management and soil conservation continues to be a priority for the IMCD, although tourism and wildlife habitat initiatives have allowed the CD to expand its Program portfolio. Increasing public awareness on the variety of Programs and other opportunities available through the CD continues to be a major part of the annual operations.

The success enjoyed by IMCD is largely due to the many Program partnerships established with a variety of agencies and organizations and will continue to be instrumental to the future of the IMCD.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Water Management		$47,512
Soil Conservation		82,123
Public Education		14,703
Wildlife and Habitat Enhancement		330
Recreation and Tourism		1,189
Assets - Property and Equipment		17,865
Program Management		138,354
	TOTAL	$302,076

For further details see Auditor's Report, Appendix C.

Water Management

For a third consecutive year, streambank stabilization continued to top the list of priority activities undertaken by the IMCD. Escarpment flows, coupled with large amounts of precipitation, land drainage and related activity continue to impact fragile streambanks along all watersheds within the IMCD. This erosion threatens valuable agricultural land, private and public infrastructure, water quality and aquatic habitat.

In response to community and landowner concerns, the IMCD, in partnership with the Provincial Fisheries Enhancement Initiative and the Dauphin Lake Advisory Board, undertook four Streambank Stabilization Projects in three of its seven Sub-Districts. The Federal Department of Fisheries and Oceans, along with the Canadian Coast Guards, were also new players on the scene and proved to be very cooperative and supportive of IMCD activities. Areas protected through the stabilization efforts varied from agricultural land, to municipal and provincial roads and bridges and to the City of Dauphin's sewage effluent discharge site.

With the Manitoba Habitat Heritage Corporation expanding their Green Banks Program into the Parkland area, new opportunities for interested producers became available. With Prairie Farm Rehabilitation Administration administering the Program and preferring to keep that Program separate from the IMCD's Riparian Works Program, an agreement was made whereby interested producers would be referred to one Program or the other, depending on which could best provide for the producer. As a result, three Riparian Works Projects were completed by the IMCD encompassing more than 2 km of riparian fencing and the construction of a livestock-watering ramp.

Interest in the Abandoned Well Program continues to increase, with a total of 36 abandoned wells being filled and sealed during this past year. The Program protects valuable groundwater resources from potential contamination, while protecting the landowner from the liability associated with these otherwise open abandoned wells. Since the Program's inception, 52 abandoned wells have been filled and sealed through the IMCD Program.

Soil Conservation

With a budget that is unable to accommodate the expanding interest in the Forage Seed Assistance Program, the IMCD scaled back its financial commitment to this Program in 2000-01. Landowner participation in the Program increased by nearly 27% over the previous year, establishing forage cover on more than 1,821 ha. The IMCD is increasingly aware of the need to set tighter Program criteria allowing the District to target known problem areas where the greatest benefits could be derived from this Program. As a result, the Program is under review and changes are likely for the upcoming year.

Complementing the soil conservation efforts provided through the Forage Seed Assistance Program, the transformation of eroding in-field gullies to sloped, maintainable, grassed waterways is becoming a more popular Program. Two grassed waterways were completed that will not only increase usable agricultural acreage, but will also alleviate concerns of further erosion and downstream siltation from these natural runs. Several other grassed waterways were identified and investigated for undertaking in 2001-02.

Tree planting was again largely limited to community-based projects, although a number of small-scale plantings were also completed on private land.

Fish and Wildlife

The protection of riparian areas, the establishment of forages and improvements to surface water quality, as provided through other IMCD Programs, all contribute indirectly to the enhancement of fish and wildlife habitat, and as such, the IMCD is continuously making efforts to integrate wildlife habitat into its many existing Programs.

For the first time this year, the IMCD also implemented a project for the sole purpose of enhancing habitat. With approval from Manitoba Conservation, a series of pool-and-riffle structures were constructed in a Provincial Drain restoring some of the natural spawning habitat lost as a result of stream channelization.

Tourism and Recreation

The diversity of landscape, wildlife and scenic features throughout the District provides for a variety of tourism and recreation opportunities. Until this past year, the IMCD had not been very active in this pursuit. Through a series of public meetings initiated by the District, the development of local recreational and tourism opportunities were identified as a public priority in many areas. The IMCD, in partnership with a local cottage owners association, the Intermountain Sport-Fish Enhancement Group and the Rural Municipality of Dauphin, constructed a boat launch into Dauphin Lake. As well, a floating dock was installed in the Pleasant Valley Reservoir creating a new recreational outlet for the local community and tourists. The IMCD also continues to support other local recreational and tourism-related ventures through the provision of technical assistance, labour and equipment.

Public Education

The primary promotional activity during 2000-01 was initiating the development of a long-term resource management plan for the IMCD. Once complete, the plan will outline IMCD policies and commitments, set out a 5-year strategy and a 20-year vision for the Conservation District. As a precursor to a series of public meetings held in late fall, an Issues and Options publication was prepared and distributed to every household in the District. The open house meeting process provided the public with an opportunity to comment on the document, identify concerns and opportunities for IMCD involvement and contribute to the development of a resource management plan. These comments, along with background information provided by a technical advisory committee, were then embodied into the development of the draft management plan. The final draft of the management plan will be submitted to the Minister of Intergovernmental Affairs and approval is expected early in the 2001-02 fiscal year.

Other public promotional and educational activities included: school presentations during National Wildlife Week; sponsorship of Ducks Unlimited Ecovan to area schools; the 2nd annual IMCD Banquet; the establishment of the first of two berry tree demonstration sites and a host of appearances and presentations at other local events.

In an effort to further promote the IMCD, its Programs and accomplishments, a number of articles were printed in local newspapers and promotional newsletters were included with the municipal tax notices and distributed to ratepayers throughout the District.

Project Support

Project support expenditures consist of all costs associated with the investigation and delivery of IMCD Programs on the landscape. These items include equipment operating and maintenance expenses, salaries of seasonal field staff, remuneration for Board or Sub-District Members and other costs incurred during the implementation of in field Programs and projects.

Assets - Equipment and Property Purchases

Highlighting the 2000-01 fiscal year was finalizing the purchase and financing of a 2.02 ha parcel of property, complete with an office and storage facility. The property purchase in Ethelbert, Manitoba assures local communities that the IMCD is committed to the area and its residents.

Program Management

Program management expenditures consist of all administrative costs such as staff salaries and expenses, office rental and expenses, legal and accounting fees and membership dues.

Kelsey Conservation District

Introduction

On January 1, 1999 the Kelsey Conservation District (KCD) was established as Manitoba's 10th Conservation District. The District lies completely within the boundary of the Rural Municipality of Kelsey, including the Pasquia and Carrot River settlements, Rall's Island, Wanless and the Local Urban District of Cranberry Portage. There are no established Sub-Districts and the total area of the District is approximately 900 square km.

The District office is located in the Town of The Pas and is staffed by one Manager who oversees day-to-day operations, including Program delivery and administration. The Board of Directors represents approximately 2,750 residents from all regions within the Municipality and meets monthly to discuss the business of the District.

Priorities for the Kelsey Conservation District's Board include developing Programs that educate the public about prudent resource management, soil and water conservation practices and local decision making as a means to maintain a healthy rural landscape. The involvement of youth and the formation of sound partnerships are also important aspects of the District's presence in the community.

KELSEY CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

DISTRICT	CHAIRPERSON	ADDRESS
Wanless	Dan Davie	Wanless
Cranberry Portage	Dave Cupples	Cranberry Portage
Pasquia/Carrot River	Larry King	Pasquia
Provincial Appointee	Darwin Marshall	The Pas
Board Chairperson	Kathy Joyal	Rall's Island

Summary

The Board of KCD continues to focus on developing Programs around sustainable agriculture and riparian stabilization. The District relocated from a shared office to a private office that is bigger and better suited to serve the residents within the Municipality. A new Manager was hired after a two month office shutdown resulting from the previous Manager finding new employment. Despite these setbacks the District was able to make a presence in the Municipality by increasing awareness of the diversity and flexibility of the District's activities. This was accomplished through numerous contacts with government and non-government organizations.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Administration		$72,275
Water Quality		17,099
Soil Conservation		1,627
Wildlife and Habitat Enhancement		749
Public Education		2,833
Assets		6,715
	TOTAL	$101,298

For further details see Auditor's report, Appendix D.

Administration

Expenditures for administration consisted of office rent, utilities, salaries, expenses and Board remuneration. The District incurs higher travel costs than other Districts due to time and distance requirements and is consistently evaluating its attendance at various meetings, seminars, etc. A new office was secured this year, resulting in higher associated costs.

Water Quality

Water Quality Program consisted mainly of a Private Well Testing Program. Fifty-five private wells were sampled. This Program will not continue into next year. Several Programs were developed late in the year that will address sensitive riparian areas that will be implemented next year.

One project was started and will be completed early next year involving the installation of six nose pumps and one portable solar powered watering unit. The project will exclude a large herd of cattle from the Pasquia River, improving herd health, water quality and riparian habitat. This project will also serve as a demonstration site further promoting the District.

Exclusion fencing and alternate watering material was purchased that will be applied to projects next year. Several sites with landowners willing to cost share projects have been identified where livestock will be excluded from rivers. Alternate watering facilities have been purchased and will also be cost shared with the landowner.

Soil Conservation

The Board's Forage Assistance Program is offered throughout the Municipality. The Program offers to producers an incentive to seed forages in erosion prone areas. Producers buy their own seed and apply to the District for a cost share. The Pasquia/Carrot River area saw 4 landowner's seed down 91 ha of erosion and salinity risk areas to forages. The Pasquia/Carrot River and Rall's Island areas are where the majority of forages are produced, with very little in Wanless and Cranberry Portage areas.

Wildlife and Habitat Enhancement

Wildlife and habitat enhancement consisted of a cost shared Nest Box Program with Ducks Unlimited Canada. Private landowners with both small and large acreages that have suitable habitat to warrant the installation of nest boxes qualify for the Program. Agreements were signed with the landowner committing the landowner to maintaining the boxes and the habitat where the nest boxes were placed. The Keewatin Community College Eco-Librium Group was involved and installed several nest boxes. This Program will be ongoing with involvement from area schools in the future.

Assets Purchased

Moving to a new office required the purchase of necessary computer equipment and office furniture. The Geographic Information System software Program "Watershed the System" was purchased last year with support from the Province of Manitoba. The remaining amount owing on this package has been paid off.

Lake of the Prairies Conservation District

Introduction

The Lake of the Prairies Conservation District (LPCD) was established as Manitoba's 12th Conservation District on January 1, 2001. The District includes approximately 205,000 ha extending from the Saskatchewan border west to the Riding Mountain National Park and from the Lake of the Prairies south to the Village of Binscarth. The LPCD has a diverse landscape ranging from rolling topography in the north to low lying wetland areas in the south. Its principal landscape feature is the Assiniboine River, which runs along the western border of the District.

The LPCD office is centrally located in Inglis and is staffed by a full time Manager and part time Financial Administrator. The area serves approximately 4,262 residents and consists of the Rural Municipalities of Russell, Shellmouth-Boulton and Silver Creek, the Town of Russell and the Village of Binscarth. The District is divided into four Sub-Districts based on the drainage basins of the major rivers and creeks within the area. Twenty-two Sub-District Members act in an advisory capacity to the main Board with each Sub-District Committee Chairperson sitting on the Board. In addition, the Board has invited representation from those member councils not represented at the Board level to attend meetings as non-voting Members. Board and representatives meet monthly to discuss District business.

LAKE OF THE PRAIRIES CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#79 - Silver Creek	Jim Rowland	Angusville
#92A - Assiniboine River	John Hunter	Dropmore
#92B - Shell River	Ron Turetsky	Shortdale
#92C - Thunder Creek	William Kuz	Russell
Board Chairperson	Gene Nerbas	Shellmouth

Summary

The LPCD's first year of operation was limited to the last quarter of the 2000-01 year. In these three months, the District established an office and operations, hired a Manager and Administrator, held its first round of Sub-District committee meetings and began setting Programming priorities.

The LPCD Board immediately identified public education as an integral part of overall Programming. Reliant upon the idea that awareness and education of conservation issues will inherently alter attitudes and practices in the long-term, the District began creating both School and Public Education Programs to be implemented in the following Program year and subsequent years.

The District approved an Extended Cover Program to increase key cover in the District thereby decreasing erosion and benefiting wildlife. The Program intends to provide assistance to those producers considering conversion of cultivated lands to forage, winter wheat or salt-tolerant forages, dependent upon certain criteria. In addition to producers receiving a financial incentive for these endeavors, the Program will serve as an element of education and promotion for the District.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Public Education and Extension		$1,754
Administration		27,473
	TOTAL	$29,227

N.B. - Since Lake of the Prairies began operation in January 2001, no audited financial statement is provided. An audited financial statement covering the first 15 months of operation will be provided in the next Annual Report.

Public Education and Extension Services

The LPCD has begun developing a Public Education Program for the youth and adults in the District. The District has also prepared and manned an exhibit for a local trade show, given presentations on the District's purpose and status to various groups and created District brochures and handbooks. In an effort to create a greater awareness of District boundaries and objectives, a number of articles and notices were submitted to the local media.

External Funding

Partnering with two local soil and water conservation groups allowed the LPCD to access funds to obtain environmental education resources. The funds were used to purchase various resource books, kits, videos and equipment to enhance the Public Education Program.

Program/Partner		Funding
Roblin Soil Conservation Corporation		$815
Assiniboine-Birdtail Soil and Water Conservation Group		967
	TOTAL	$1,782

Administration

Administration expenditures include office rent, utilities, staff salaries and expenses and remuneration for Board and Sub-District Members. Also included in administration for this year were all initial purchases of office furniture, equipment and start-up supplies.

Little Saskatchewan River Conservation District

Introduction

The Little Saskatchewan River Conservation District (LSRCD) is situated south of Riding Mountain National Park. The landscape was formed during the early glacial period and is an excellent example of the distinctive pothole marshes, undulating lands and classic wet water channels of the Oak and Little Saskatchewan Rivers.

The District was formed in 1999 as the 11th Conservation District in Manitoba. It is comprised of all or parts of six municipalities located in the Little Saskatchewan River and Oak River watershed. These areas include the Rural Municipalities of Blanshard, Daly, Saskatchewan and parts of Odanah, Minto and Clanwilliam. It also includes the Towns of Oak River, Rivers and Minnedosa.

The District received support for the Program from its Provincial partner, Manitoba Intergovernmental Affairs and a number of agencies and Government departments at all levels. This support, coupled with the dedication and continued efforts of all the local individuals within the Sub-District and Board, enabled the Little Saskatchewan River Conservation Board to deliver a sound and effective Program.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 - Upper Oak River	Rodger Mawer	Alexander
#72 - Upper Oak River	Robert Wrightson	Oak River
#81 - Central Little Saskatchewan	Chris Brown	Minnedosa
#81 - Central Little Saskatchewan	John Whitaker	Erickson
#82 - Lower Little Saskatchewan	Ed MacKay	Rivers
#82 - Lower Little Saskatchewan	Evan Smith	Rapid City
Board Chairperson	Roy Greer	Rivers

Summary

Several areas within the LSRCD experienced an early spring with little runoff. Many producers were able to plant their crops early, however moisture levels from the previous fall kept soil conditions wet. A rain-filled summer and autumn created difficulties for many hay producers. Water levels on the Little Saskatchewan River rose beyond its banks in July. Heavy rain in October and early snowfall delayed the harvest and reduced yields. These conditions made it difficult for the LSRCD to initiate and complete the Works Program. By the end of September, the District completed 80% of the Works Program with some of the grass seed establishment being left until the following year.

The primary focus of the District is soil and water. There was also significant emphasis placed on educational initiatives in schools and throughout the District. These initiatives included a number of classroom presentations, Projects and media extensions. The soil and water focus was directed at forage assistance, small headwater dam construction, grassed runways and abandoned well capping.

The number of external partnerships formed with various resource agencies made the District's past activities possible. These partnerships helped the District to develop broader Programming directives and achieve a common goal toward a sustainable landscape. These Programs would also not be possible without the continued support received annually by the Member municipalities and councils involved and through the ongoing support of the Provincial Government, Manitoba Intergovernmental Affairs.

The LSRCD has received requests from the Town of Rapid City and the Rural Municipality of Harrison to join the District. It is anticipated that both councils will officially become part of the LSRCD in 2001-02. There has also been interest expressed by the Rural Municipalities of Park and Strathclair and the Town of Erickson in joining the LSRCD. The District is currently investigating these requests. The Board and Sub-District are encouraged and looking forward to welcoming these councils because they are a significant component to the District's planning and development.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Program Management		$113,480
Water Programs		19,476
Soils		24,047
Public Education		10,268
Assets		27,158
	TOTAL	$194,429

For further details see Auditor's Report, Appendix E.

Water Management

Headwater management continues to be the largest focus for the LSRCD Sub-District Programs. In efforts to reduce the impacts of runoff, the District constructed three small headwater dams in the Central Little Saskatchewan River and the Oak River Sub-Districts. The Delta Waterfowl Foundation and Ducks Unlimited Canada (DUC) helped develop the structure that provided many other benefits such as groundwater recharge, wildlife habitat and fresh stored water on the landscape.

The District continued its Abandoned Well Capping Program while the support and interest for the Program grew substantially. Fourteen wells were disinfected and sealed and another 55 applications were received. The Little Saskatchewan River Conservation Board initiated an abandoned well inventory in partnership with Prairie Farm Rehabilitation Administration (PFRA) staff and the Rural Municipalities of Clanwilliam and Blanshard. A pilot Project was initiated where all active and inactive wells were identified and recorded in a Geographic Information System (GIS) database. These wells will be prioritized, based on severity and groundwater contamination risk, to form a long-term management plan. The four remaining municipalities will be included in this Program next year to complete the LSRCD well inventory.

In July, the District, PFRA and Manitoba Agriculture representatives developed a workshop for producers and agencies called "Bovines and Shorelines". The workshop was developed to examine and introduce alternative land and riparian management tools that have been widely utilized in Alberta under the "Cows and Fish" Program. Over 45 people from across the Province were in attendance to learn some different strategies for assessing the riparian area and developing land practices.

The Board began investigating the benefits of an integrated watershed plan for the Little Saskatchewan River basin. As the Board examined options for a long-term resource management plan for the region, it was clear that an integrated basin study could assist the Board and Sub-Districts in identifying areas to efficiently direct District funding. The Board also began to investigate the benefits of integrated watershed planning in two areas: 1) the Little Saskatchewan River Basin and 2) a mini watershed plan along Broughton's Creek that will involve local stakeholders to provide key information to future watershed and Sub-District Programming. The Board and Sub-District are investigating these specific plans for the up-coming year.

The District also developed one grassed runway within one of the smaller runs in the Rural Municipality of Daly.

Soil Management

The main focus of the LSRCD's Soil Program continued to be the Forage Seed Assistance Program. Over 364 ha of highly erodable or marginal lands were secured to a permanent cover. Most of these ha were located within the headwater areas of the Oak River and Little Saskatchewan River Watersheds.

In May, the District purchased a no-till drill with grass seeding capabilities that would be offered with the Forage Seed Assistance Program. The drill was received through a partnership with DUC. Over 40 ha of land was seeded using the drill.

One demonstration site of plastic mulch with a shelterbelt was developed.

Wildlife Habitat Programs

Recognizing the importance of maintaining external partnerships for Wildlife Projects, the District continued to support initiatives with groups like the Little Saskatchewan Stakeholders along the Little Saskatchewan River Basin. These groups included the Friends of Rivers Lake and Manitoba Conservation (Fisheries) who were involved in a riparian pasture partnership along the Little Saskatchewan River just north of Rapid City where 2.02 ha of riparian land was idle. The past year was the final year that the Habitat Conservation Agreement with DUC was to be delivered throughout the District. The agreement included a number of Programs that provide wildlife benefits such as no-till, saline seed assistance, backflood irrigation, small dam construction, flushing bars and a variety of Habitat Lease Programs.

The District began discussions to initiate Tree Planting Projects with Scouts Canada for the up-coming year.

The District initiated a Beaver Management Program with each Rural Municipality through the development of beaver leveller pipes. Initiated in Riding Mountain National Park and the Rural Municipality of Rossburn, the pipes have demonstrated some success for their reduction of flooding situations. The District agreed to provide leveller pipes to the municipalities on a trial basis this past year, providing a sustainable and economical solution to local beaver issues.

Education

The LSRCD continued to make education a top priority in the area. Significant developments were made in delivering key conservation initiatives within the schools in the District. These initiatives included discussing watershed management principles within the Grade 10 Geography Class in Minnedosa Collegiate. The discussion included describing how partnerships with the District, such as the Manitoba Agro Woodlot Program, DUC and the Manitoba Habitat Heritage Program, can work together to achieve holistic conservation principles. Other school projects included the Grade Six and Seven students of Oak River School examining specific land use problems and employing different conservation strategies to develop sustainable land-use solutions.

In March, the District launched its Classrooms and Creeks Program within Erickson Collegiate. The Program was intended to introduce local watershed concepts to the students through practical, hands-on experiences that could be applied to their curriculum requirements. Grade 12 Biology and Chemistry students examined the Rolling River Watershed under the support and guidance of the Biosphere Reserve and the Fresh Water Institute. As part of an ongoing Program, the students will re-evaluate the stream each fall and spring to obtain a more complete picture of the watershed.

With assistance from the Manitoba Hydro Forest Enhancement Fund, the LSRCD initiated two Tree Planting Projects. "Magnificent Mike and his Millennium Trees" was a tree campaign directed at communities for their contribution to the start of the new millennium. Three communities participated in the Program. Volunteers from within the District planted trees to mark the millennium. The District also introduced its Mother's Day campaign called "An Applecious Mother's Day" where all Grade Four students within the District were provided with a four-foot apple tree to give to their mothers. As well, students were given a presentation regarding the importance of trees to our environment.

The District held its first Annual Banquet in Basswood, Manitoba in April. Over 105 people were in attendance.

Harold and Patricia Dyck from Rivers, Manitoba were selected as the 2000-01 LSRCD Conservation Farm Family. Mike Wallis submitted the winning entry for the "LSRCD Lost Logo Contest" which depicted an agricultural farm scene within a sunset.

External Funding

The past year, external support increased for the District's Programs and activities. This support included:

Program Partner		Funding
DUC		$24,015
Department of Fisheries and Oceans		500
Manitoba Habitat Heritage Corporation		500
Manitoba Hydro		5,000
Sustainable Development Innovations Fund		2,800
Prairie Farm Rehabilitation Administration		3,000
Delta Waterfowl		8,000
Manitoba Conservation – Fisheries		500
Agriculture and Food		1,000
Hometown Green Team		1,005
Summer Career Placements		1,584
Critical Wildlife		500
Manitoba Cattle Producer's Association		250
	Total	$48,654

Administration

This component of the budget included the salaries of a full time Manager, part time Administrator, casual workers, expenses and remuneration for the Board and Sub-District Members. Halfway through the year Anne Davidson was hired as the new Administrator. Other items included operating costs and purchase of equipment for the office.

Summer staff were hired under the Summer Career Placements and the Hometown Green Team Program to assist with Program delivery. The District also hired a Certified Engineering Technician for its Work Program on an "as-needed" basis.

Pembina Valley Conservation District

Introduction

The Pembina Valley Conservation District (PVCD), incorporated in October 1989, includes 4,270 square km of southern Manitoba. The District shares a boundary with North Dakota and its principal landscape features include the Pembina Valley, the Pembina Escarpment, the Tiger Hills, the Cypress River and part of the Red River Valley.

The PVCD is a partnership between the 11,500 residents of the 5 Rural Municipalities of Lorne, Louise, Pembina, Roblin and Thompson, the Towns of Manitou and Pilot Mound and the Village of Crystal City that make up the District. There are seven Sub-Districts representing mini-watersheds within the District. This partnership extends to Government Departments, external agencies and is critical to delivering the PVCD Program.

PEMBINA VALLEY CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
Boundary Area	Landon Booker	Snowflake
Lizard Lake	Murray Seymour	Darlingford
Swan Lake	Larry Van Cauwenberghe	Swan Lake
Tiger Hills	Gerry DeSmet	Cypress River
Pembina Escarpment	Andre Comte	Notre Dame
Crystal-Cypress	Brian Charles	Cartwright
Badger Creek	Howard Ganske	Cartwright
Board Chairperson	Don Alexander	Miami

Summary

The PVCD Program continues to focus on conservation farming and water management. The water component has changed from focussing on water storage for drought relief to water quality and the damaging effects of too much water. People are also becoming more aware of the problems that arise from the contamination from abandoned wells.

The PVCD Board continues to work in harmony with four local soil, water and crop management associations, with delivery of the soil conservation mandate being a shared effort.

Manitoba Agriculture and Food, through its Covering New Ground Agricultural Sustainability Initiative Program, provided strong support for the Checkstrips Program, demonstrating crop rotations and other agronomic lessons on three concentrated, accessible sites in the District. A new site was added this year that highlights new forages and is geared to the cattle industry. Many other partners, too numerous to mention, made this a great tool for farmers to use.

The Board continued to enjoy strong funding support from Manitoba Conservation Special Conservation Fund for a gully repair and a constructed wetland. Ducks Unlimited Canada (DUC) Habitat Conservation Program helped fund our Water Storage Projects, Flushing Bars, Riparian Habitat, Waterfowl Habitat Lease and Salinity Barrier Programs. Manitoba Hydro Forest Enhancement Program paid for hundreds of trees to be planted all around the District in public places. Manitoba Habitat Heritage Corporation (MHHC) Agro-Woodlot Program assisted with tree planting for bank stabilization works. A number of potential Fish Habitat Enhancement Projects are being investigated as a result of the study that was completed on improving the fisheries potential of the Pembina River. Last fall we hosted Part II of a series of bioengineering workshops that were sponsored by Manitoba Conservation - Fisheries Branch (FEI), Manitoba Hydro, MHHC - Agro-Woodlot Program, DUC and Intergovernmental Affairs. We had 50 participants from all over Manitoba, as well as many from outside of the Province, attend this 3-day workshop. The organizing committee felt that everyone left with a worthwhile learning experience.

As in the past, Federal (Summer Career Placements) and Provincial (Manitoba Conservation - Hometown Green Team) sources subsidized the cost of hiring summer staff, providing them with valuable experience and completing many important jobs for the District.

TOTAL EXPENDITURES 2000-01

Activity		**Expenditure**
Water Management		$195,869
Soil Management		82,087
Public Education		65,117
Wildlife - Trees		36,452
Program Management		
Wages and operations	$107,911	
Vehicles	11,989	119,900
Assets		3,895
	TOTAL	$503,320

For further details see Auditor's Report, Appendix F.

TOTAL FUNDING AVAILABLE FOR 2000-01

Municipal contributions (Levied on all lands [not buildings] within the District)		$90,049
Intergovernmental Affairs Funding		250,000
External Funding sources		156,187
Land Owner share		20,940
	TOTAL	$517,176

Water Management

The Sub-District budgets reflect the desire to construct small water retention structures for a variety of reasons. Overall, 13 Backflood and Dam Projects were worked on. In most cases, dams are designed to serve many purposes, such as groundwater recharge, providing water for agricultural, domestic and recreational use, creation and enhancement of wildlife habitat, flood peak attenuation, aesthetic value and precipitation distribution. Also, having water available can have the potential for attracting industry or reacting to changes in the dynamics of making a living off the land. The Backflood Projects involve a structure that allows temporary water storage and later full drainage, to encourage water infiltration, increased productivity and dampens flood peaks.

The District is responding to the need for Watershed planning on a basin scale as well as on a mini-watershed level. The Pembina River Basin Advisory Board is an international group of stakeholders that are working towards developing a water management plan for the entire Pembina River Basin. Several mini-watershed plans are being developed with affected landowners to more effectively manage drainage areas.

Water quality has become more of a concern with area residents. The District continues to study water quality in the Roseisle Creek to develop some baseline data to measure existing conditions and impacts. Shock chlorination demonstrations, water quality awareness through water testing and other public extension services are ongoing. The District assisted with the sealing of 62 private wells throughout the year.

Soil Management

The Board's Forage Seed Assistance Program was offered in four of the seven Sub-Districts. The Board invites landowners to buy their own seed and apply for a cost share from the District. It is felt that the need for this Program is increasing because of the move to diversification and increased livestock numbers. This Program is making a difference on the landscape, safeguarding marginal areas with permanent cover.

Grassed waterways were worked on in five locations. Besides preventing erosion and subsequent water contamination, these projects provide wildlife habitat and hay for harvest. Erosion control was also accomplished through clearing trees from drainage ditches, preventing breakouts and gully washing in adjacent fields. Trees and shrubs are great for bank stabilization, but if located in the center of the watercourse, they can cause problems.

Several Bank Stabilization Projects were done on problem areas of the District. Streambank stabilization work was done along the Maryjane Creek, with funding coming from Manitoba Conservation - FEI. Several different bioengineering techniques were applied to a 300 m section of the Creek.

Public Education and Extension

PVCD information is passed on to the community through the local newspapers and a quarterly newsletter that highlights the District's activities. The District helped with judging at the local High School Science Fair and provided some educational sessions for school groups, both in the classroom and in the field.

An Earth Day celebration was held at the Binney Corner Nature Preserve. The highlight of the day was the grand opening of a floating boardwalk that provides better access to the park and furnishes the kids an opportunity to dip for marsh monsters. We partnered with Enbridge Pipeline Inc. and Manitoba Conservation - Environmental Youth Corps to pay for these enhancements. In May, the PVCD's Nellie McClung Collegiate Envirothon Team competed in the Provincial Competition at Shilo, Manitoba. The team has been very active and uses Binney Corner as an outdoor classroom. The team has been working with the District staff to plant wildflowers, plan trails, do plant identification, do controlled burns and helps with the construction of the floating docks. Each year the local schools are expanding the use of Binney Corner for outdoors educational activities. This year we purchased additional "Critter Kits", which include dip nets, marsh posters, bird, pond and marsh books, magnifying glasses, etc., that allow students to examine pond life.

Fraser Schram and family of Cartwright were chosen as the Conservation Farm Family and the District's Youth Speaker was Lisa Van Den Bussche from Swan Lake's Westmount High School.

Wildlife

Manitoba Hydro sponsored the purchase of shade, shelter and native fruit trees for planting in local community parks and public areas. The District has entered in another two year agreement with MHHC to cooperatively deliver the Green Banks Program, which promotes healthier riparian zones for our rivers and streams. The District and DUC have completed a three year agreement, which has provided over $69,614 of Wildlife Programming to local producers.

Program Management

The District staff continues to look for new ways of dealing with the challenges presented by local soil and water problems. Available training opportunities are used to strengthen the human resource side of the District. It was a very successful year in terms of fund raising, Program delivery and developing strong partnerships that are centered on a common interest in the environment and sustainable development principles.

The past years have been a learning and growth experience for both the staff and Board Members. We thank everyone for his or her cooperation in the past and look forward to a productive year in 2001-02.

Tiger Hills Conservation District

Introduction

On January 1, 2001 the Tiger Hills Conservation District (THCD) became Manitoba's 13th Conservation District. A popular tale regarding the name of the Tiger Hills relates of how early explorers to Manitoba were probably startled by the appearance of a giant tiger lying amongst the prairie sea of grass. The ridge and swale topography, along with the stripes of hard and softwood forest of the Tiger Hills combined to produce the illusion of a gigantic tiger lying in wait for unsuspecting prey. Formed as the southern shore of glacial Lake Agassiz during the retreat of the last ice age, the Tiger Hills are underlain by erodable sand, sandy loam soils and covered with mixed forest and grasslands.

The distinct characteristics of the area topography present unique challenges for local landowners and producers in terms of protecting the fragile nature of the Tiger Hills while maintaining a sustainable and diverse rural economy. Divided into five Sub-Districts, each responsible for a distinctive watershed drainage area, THCD was formed with the partnering of the Rural Municipalities of Argyle, Glenwood, Strathcona and South Cypress, the Village of Glenboro and the Province of Manitoba, in order to meet these challenges.

TIGER HILLS CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#56 - Pelican/Rock Lake	Wayne Hall	Killarney
#68 - Elgin Creek	Doug Denning	Souris
#70A - Upper Oak	Hugh Stephenson	Baldur
#70B - Lower Oak	Wayne Bolack	Baldur
#99 - Central Assiniboine	John Hamilton	Glenboro
Board Chairperson	Jack Bolack	Glenora

Activities

In the fall of 2000, prior to the Order in Council that officially created the THCD, Member municipalities were busy making appointments to the Sub-Districts and forming the THCD Board. The Board elected a Chairperson and opened an office in Baldur, as well as preparing the THCD Budget for January 1 – March 31, 2001.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Geographic Information System		$15,763
Computer System		3,668
Board Remuneration		10,069
Staff Wages and Expenses		6,150
Office Operations		1,592
Office Furniture		637
	Total	$37,879

N.B. - Since Tiger Hills began operation in January 2001, no audited financial statement is provided. An audited financial statement covering the first 15 months of operation will be provided in the next Annual Report.

There were no resource related activities carried out in the first three months of operation. The funding was used primarily to set up offices and hire staff. In February of 2001, the Board hired a District Manager who spent time presenting to the Member municipalities and soliciting for potential Programs and projects. The Board also discussed hiring a part time Financial Administrator in the spring. The Board developed and began implementation of their first set of Programs, in consultation with the Sub-Districts, to offer to THCD's Member communities.

Soil Conservation

To promote soil conservation and stewardship of the land, THCD is offering producers an incentive of financial support for seeding of forage crops and fall seeded crops, such as winter wheat, into land susceptible to erosion.

Water Management

Safe drinking water and elimination of sources of contamination into surface and groundwater are vital to a healthy and growing rural economy. To promote water conservation and ensure safe water, THCD is offering Sub-District Members assistance in capping abandoned wells, rehabilitation for contaminated wells and financial assistance in off site watering systems for livestock.

Conservation Education

Conservation awareness and education are a vital component in addressing the environmental issues facing today's modern producer and the public in general. Under the Board's direction, THCD staff has been consulting with local schools and farming organizations to design Educational Programs and material to promote stewardship of the land and encourage sustainable development. To this end, workshops and demonstrations of conservation practices, such as riparian management and no-till farming, have been planned for the summer of 2001, as well as developing School Programs for fall.

New Program Development

In consultation with Member municipalities and Sub-District Members, THCD staff are investigating potential Programs and projects as they are brought to the Board's attention.

Turtle Mountain Conservation District

Introduction

Consisting of 4,260 square km, the Turtle Mountain Conservation District (TMCD) is located in the southwest corner of Manitoba along the international boundary. The District is bounded on the south by the Turtle Mountain uplands, on the east by the headwaters of the Pembina River system and Pelican Lake and on the west by the historic Souris River. The District is a unique mix of glacial uplands surrounded by a flat intensively farmed till plain. Several intermittent streams, small lakes and potholes characterize the landscape. The upland areas include native mixed grass prairie and deciduous woodlots, while annual cropping predominantly influences the plains. Located in the center of the District is Whitewater Lake, a huge wetland area renown throughout North America for its natural bio-diversity. This mix of topography and natural resources gives rise to many of the activities and Programming of the TMCD.

Locally, contributing Members of the TMCD include the Rural Municipalities of Arthur, Brenda, Winchester, Morton and Turtle Mountain and the Towns of Killarney, Boissevain, Deloraine and the Village of Waskada. The area represented by these Municipalities is further divided into seven watershed Sub-Districts.

Soil and water resources form the focus of District activities along with Programs targeting many related resources, for example wildlife habitat, education, fisheries, historic and heritage resources. Specifically, Programs are developed in a manner that promotes the integration of various resource concerns so that no singular problem or concern is addressed at the expense of another. The Board agrees that positive land management initiatives ultimately will have the greatest beneficial effect on both land and water issues. Land Management Programs promoting permanent cover, conservation tillage, range management and habitat protection will promote healthy water and nutrient cycles, reducing the need for Programs designed to deal with the results of impaired natural cycles. The majority of Programs are developed for local on farm delivery benefiting the producers, specifically, and the community at large.

By partnering with a number of agencies and individuals in the public and private sector, the District is able to provide joint projects and Programs of mutual concern. A large network of Sub-District representatives provides the grassroots contact with District constituents and the District office maintains an active extension Program.

The Province of Manitoba, through the Manitoba Intergovernmental Affairs, is the major supporting partner for the Program, together with a host of cooperating agencies and various departments of government at all levels. The interaction, cooperation and support of local landowners and producers is, however, the cornerstone of the Program, resulting in a sound, well supported Program of sustainable resource management for a very unique region of Manitoba and Canada.

TURTLE MOUNTAIN CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICTS	CHAIRPERSON	ADDRESS
#58 - Wakopa Creek	Greg Bruce	Killarney
#59 - Upper Pembina	Brian Hammond	Boissevain
#64 - West Arthur	Brian Fletcher	Coulter
#65 - Waskada Creek	Keith Hannah	Waskada
#66 - Medora Creek	Don Greig	Melita
#67 - Chain Lakes	Murray Dillabough	Deloraine
#68 - Elgin Creek		
Whitewater Lake	Carl Bjarnason	Deloraine
Provincial Appointee	Don Millar	Waskada
Board Chairperson	Cliff Snyder	Melita

Summary

The spring of 2000 followed one of the driest winters in recent memory. Soil moisture conditions improved as seeding commenced and the summer season provided excellent growing conditions for most agricultural activities. Winter arrived early in November and in sharp contrast to the previous year, was deep and cold for the duration. The year allowed for the delivery of a diversity of projects throughout the District and by the close of the construction season, most works had been completed. The quiet spring runoff resulted in very little damage to existing infrastructure. Works consisted of the completion of any outstanding projects of the previous year, as well as a variety of new projects.

The District resumed a more typical Program of activities not dictated by adverse weather, although economic problems within the farm industry, coupled with the hardships of the previous year, left most producers less than optimistic. Many of the projects delivered by the District were of a smaller scale in nature and designed to be delivered on individual farm operations. By contrast to the previous year, the 2000-01 fiscal year could be considered far more typical, allowing the resumption of regular targeted Programming.

TOTAL EXPENDITURES 2000-01

Activity	Expenditure
Watershed Management	$166,201
Soil Conservation	161,301
Wildlife	19,171
Public Education and Extension	28,203
Administration	127,563
Equipment	19,639
Depreciation – Equipment	23,673
Inventory	8,214
TOTAL	$553,965

For further details see Auditor's Report, Appendix G.

Watershed Management

Over the past year, seven watershed Sub-Districts have delivered a very diverse Program of activities. Perhaps most remarkable have been the efforts to initiate watershed management strategies and to this end, three distinct areas of the District have been included in specific Programs. The largest of the three projects is the Pembina River Basin Advisory Study in the Headwaters Region, which will primarily involve the Upper Pembina Sub-District. The Long River Watershed studies are being delivered in concert with the Killarney Lake Water Quality Committee and the Elgin Creek Sub-District is returning to the Turtle Head Creek Riparian Project. The diversity of activities undertaken within these watersheds as remedial works is quite broad. They include: water quality monitoring in the Long River and Upper Pembina; the promotion of a Winter Cereals Program involving 10 producers and nearly 400 ha in the Wakopa Sub-District; development of an informational kiosk for the Killarney Lake Water Quality Committee; sealing 45 wells throughout the District and the construction of 9 restricted entry access ramps for livestock watering. In addition, the Sub-Districts delivered five planned grazing projects to augment the Program currently established by the Board. As a service to residents, the District provided support for well water testing and extension information on well maintenance and protection. Three small water storage facilities were constructed, one mile of runway maintenance was completed and low level crossings were constructed in four locations. Mowing of runways for maintenance was completed on the Waskada Creek and a portion of the Medora Creek, while mowing on all other runways was suspended.

Sub-Districts continue to support Right of Way reseeding as a service to municipalities and the Chain Lakes Sub-Districts has established a riparian protection and planned grazing demonstration at the Adair Dam property. Riparian Protection Projects undertaken with the help of external funding sources, such as Ducks Unlimited Canada (DUC), completed the package of Programming directed within the watersheds.

Above all, the Program as presented should clearly indicate a rounded menu of options for producers concerned about water management. The Program does not focus solely on the movement of water within the watershed, but also with those aspects of land management having a positive impact on water movement within the District.

Soil Conservation

In contrast to the previous year, growing conditions throughout the region were more "typical" and generally favoured both annual cropping and permanent cover land use activities by producers. The season commenced with the annual Forage Seed Assistance Program offered in two distinct options. Option #1 was the continuance of the regular Forage Tender Program, resulting in 125 producers limited to 16 ha each. Option #2, a financial support Program for producers, had 30 subscriptions and was again limited to 16 ha per applicant. It should be noted that in many instances the support of the District amounted to only a portion of the total area seeded. In some cases areas as large as 130 ha of former cropland were seeded to permanent cover.

Second of the major District initiatives involves Shelterbelt, Block Planting and Tree Establishment Programs. An estimated 25,000 trees were planted throughout the region. Nearly 32 km of plastic mulch was applied as an aid to weed control in the belts, however a problem was experienced with sub-standard plastic applications on approximately 16 km. The plastic, not properly treated with ultra violet protection, began to break down prematurely and was replaced at the expense of the supplier. The District also helped coordinate the annual Boy Scout Planting Program which took place in Boissevain this year.

Other Programs offered by the District included 17 new or upgraded planned grazing systems developed for area graziers, as well as the cooperative development of a forage and grass newsletter via the Melita District Agriculture Office. Michael and Myna Cryderman, who have worked closely with the District for nearly a decade, were presented with the first ever "Grazier of the Year" award sponsored by the Manitoba Grazing School. In addition, the Dan Meggison family from Goodlands received the prestigious Sid Ransom Award as Conservation Farm Family from the Manitoba Conservation Districts Association. The District also cooperated with the Turtle Mountain Holistic Managers group and "Covering New Ground" to deliver a Low Stress Livestock Handling Workshop for 12 farm families.

With the support of external partners, the District continues to offer options for No-till Programs and winter cereals. Two no-till agreements were signed and 40 ha of salinity barriers forage seed was distributed. Specialized seeding equipment included the JD 750 no-till drill (286 ha), the Tye grass drill (125 ha), 3 flushing bars and various broadcast seeders.

Wildlife

Habitat Development and Protection Programs during this fiscal year were delivered almost entirely with external funds from DUC and included five habitat leases (idle land set-aside) and three Riparian Protection Projects. The District continues to administer annual payments to producers for past Programs and provide signage on completed projects. Preservation of existing natural landscapes is an important goal of the District, especially in the wooded uplands of the Turtle Mountains. The protection of riparian areas and natural wetlands in the prairie is considered critical for bio-diversity, groundwater recharge and healthy water cycles.

The District continues to work with Manitoba Conservation Fisheries staff in rearing pickerel fry in the L-8 Dam and aeration of the Derksen Heide Dam near Boissevain. A cooperative project involving the Rural Municipality of Winchester, Fisheries Enhancement and the District resulted in a major Bank Stabilization Project on Canada Creek connecting Dromore Lake and Lake Metigoshe. Finally, the District is currently working in cooperation with a number of local partners to develop an action plan for Whitewater Lake as an Important Bird Areas Project in southwest Manitoba.

Public Education

Viewed as a critical component of successful Conservation Programming, public education continues to be a diverse and proactive aspect of District routine. The Program is targeted toward virtually everyone in the region from the youngest children in the public school system with the "Conservation in the Classroom" Program, to the interests of our senior citizens with the natural and interpretive areas, as well as the historic and heritage resources.

The "Conservation in the Classroom" Program involves all schools in the District in field trips, Computer Programs for classroom work, written projects and community service Programs such as the Killarney Lake Cleanup Committee. The District funded the DUC "On the Go" Educational Program to all schools in the area and supported the Greenwing Day for Youth in the Killarney area. The District continues to support publications, books and special requests for local schools.

The TMCD distributed two informational bulletins by general mail outlining various Programs and options available to constituents and prepared a two-page spread in the special agriculture supplement with the local papers. In addition, the District supported the Melita Agriculture office in the preparation of the "Melita District Forage/Grass Newsletter" and "Extending the Grazing Season". The TMCD assisted with the Low Stress Livestock Handling Workshop, sponsored a Youth Speaker and held an annual banquet for approximately 100 attendees.

Public interpretive areas remain a priority of the Board and to that end the District sought the support of a student, through the Green Team Program, who was dedicated to the maintenance and development of the Metigoshe Natural Area, Newcomb's Hollow and other properties owned by the TMCD. The Metigoshe Natural Area was home to the Turtle Mountain Metis Days during July, in addition to the many visitors to the site over the course of the year. Developments to the Natural Area include a parking area and improvements to the self-guided hiking trail. Newcomb's Hollow has become somewhat of an attraction with visitors from all over the world signing the guest book. The District continues to support the Whitewater Lake Wildlife Viewing Center as an important attraction.

One of the most notable yet underrated Programs of the TMCD has been the ongoing Extension Program. Staff attempt to record all contacts made with the public on a day to day basis and these include calls into the office, calls out, visitors to the office and field visits. The importance of this Program is underestimated as a service to the community, however the demand for it is a clear indication of its value. The records are as follows: calls in - 1,738, calls out - 878, visitors - 464, field visits - 38.

Administration

The Administrative Program provides for staff salary, expenses and remuneration of Board and Sub-District Members, rent and miscellaneous operating costs.

The District also takes advantage of external administrative support wherever possible through Programs such as Green Team. The District also received tremendous external support, both financial and technical, from a number of agencies and individuals.

Equipment and Inventory

Additions to equipment and inventory included office equipment, "Watershed the System" Geographic Information System Program, a lawn tractor for maintenance of public areas and an inventory consisting of plastic mulch and grass seed.

Turtle River Watershed Conservation District

Introduction

The Turtle River Watershed Conservation District (TRWCD) was incorporated in 1975 and includes approximately 235,000 ha of land located between the Riding Mountain Escarpment and Lake Dauphin. The District boundaries are based on the entire Watersheds of the Hansen Creek, Turtle and Ochre Rivers. The TRWCD is further divided into three Sub-Districts (Sub-Watersheds) that encompass all or part of the Rural Municipalities of Dauphin, Ochre River, Ste. Rose, Lawrence, Alonsa, McCreary and Rosedale, as well as the Town of Ste. Rose du Lac and the Village of McCreary.

TURTLE RIVER WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#44 - Upper Turtle River	Ron Chotka	McCreary
#45 - Lower Turtle River	Herman Schroeder	Ste. Rose
#46 - Ochre River	Joe Felix	Ochre River
Board Chairperson	Gordon McIntyre	Ochre River
Provincial Appointee	Denis Maguet	Ste. Rose

Summary

The Board of the TRWCD continued to place emphasis on numerous watershed issues, including maintenance of agricultural drainage channels and crossings. In water management, the District proceeded with resolving a number of outstanding soil and water issues, including the Ste. Rose Flood Protection Project and land acquisition right of way payments. The District successfully maintained 106 km of agricultural drains through brushing, spraying, cleanouts and reconstruction. Three erosion control structures were repaired due to heavy summer rains, two small stretches of streambank stabilized and two beaver management demonstration sites constructed. Fifteen crossings underwent minor repairs and two bridges received new decks to significantly increase the life span.

In the Soils Program, over 4,000 trees were planted in multi-row field/yard shelterbelts in addition to the 4,000 seedlings planted in a 2 ha block planting. Forty-nine landowners participated in the Forage Seed Assistance Program seeding 519 ha of erosion and saline prone soils. One grassed waterway was completed with four additional sites surveyed. In partnership with Manitoba Agriculture and Food, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge site identification and control.

The TRWCD also participated in several Public Education and Extension Programs, including the 25th Anniversary of the District, honored the 2001 TRWCD Conservation Farm Family Award recipient Stan and Lynda Henowich of McCreary and Melissa Wolmann as the Youth Speaker winner.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Water Management		$186,052
Land Management Services		12,929
Crossing Repair and Replacement		83,888
Soil Conservation		26,724
Wildlife Incentives		300
Public Education and Extension		7,272
Administration		147,865
Program Support		52,416
Inventory Sale – Net		(3,883)
Custom Work		22,573
Depreciation		20,837
Asset Purchase		24,534
Leasehold Improvements		7,143
	TOTAL	$588,650

For further details see Auditor's Report, Appendix H.

Water Management

Flood Protection - The Project was funded under a Federal Provincial agreement and costs were shared Federal (45%), Provincial (50%) and Local (TRWCD 5%). The end of fiscal year 2002 will complete the entire Project repayment schedule.

Land Management Service (LMS) - The District continued to finalize numerous outstanding right of way issues that included payments for land acquisition, processing fees, legal fees, landowner tax repayments and interest which has been compounding annually for several years.

Drain Maintenance - In addition to regular vegetative maintenance by mechanical brushing and spraying on various agricultural drainage channels, work under this component included minor repairs, seeding and leveling of 2000 works on the McKinnon Creek, Ives Drain, Parthenay Drain and Boles Drain. General/minor drain works were completed on a number of areas with major upgrading works being undertaken on the Kingshott, Irwin, Valpoy, Kerosene and Kergwenan Drains. A total of approximately 106 km of drains were maintained in 2000 works season.

Beaver Management - Extensive beaver management expenditures occurred through remedial actions associated with beaver activity in agricultural drains and TRWCD right of way.

Miscellaneous - Annual spring icing and flooding problems were also addressed and included culvert reinstallation, de-icing, erosion repair and debris removal. In partnership with Manitoba Agriculture and Food, an extensive Noxious Weed Program was initiated and focused specifically on leafy spurge site identification and control.

Crossing Repair and Replacement

In addition to the two crossings upgraded by the District Labor Crew, 15 sites were repaired/upgraded and maintained throughout the works season. The District continued updating an overall inventory of all the crossings within the District on the Geographical Information System - "Watershed The System".

Soil Conservation

Forage Program - In its 23rd year, 49 producers participated in the Program with 519 ha being seeded down to forage. Costs for this Program were shared at 50% District, 50% local share. As a direct result of this Program, an approximate total of 1,618 ha of saline and erosion prone land are now seeded to permanent cover.

Bufferstrip Program - The District continued in its initiative to encourage producers to seed down forages along District drainage channels. The TRWCD provided 50-50 cost sharing to producers, with 2 landowners participating in seeding down 12 ha of forages.

Grassed Waterway Program - One producer participated in the Program seeding down the natural waterway, preventing further soil erosion caused by water runoff. In addition, 4 grassed waterways were initiated and are planned for the 2000-01 works season.

Rural Municipality Road Allowance Seeding Program - Annually, District Rural Municipalities contract the TRWCD to seed road allowances along newly constructed roads preventing erosion. The District also provides custom spraying to Rural Municipalities and Manitoba Transportation and Government Services on a 100% cost recovery basis.

Shelterbelts/Plastic Mulch Application - Over 4,000 trees were planted in multi-row field/yard shelterbelts in addition to the 4,000 seedlings planted in a 2 ha block planting.

Deciduous Riparian Vegetation Assessment and Rehabilitation Project (DRVARP) - The District continued its efforts to reestablish vegetation along the Ochre and Turtle Rivers, through the demonstration planting of various tree species. Further assessment of these sites will continue in the next fiscal year. Approximately 1,000 trees were planted along the Turtle and Ochre Rivers.

Multiple Resource Projects/Recreation

In addition to finalizing the Canadian National Railway right of way purchase of an abandoned rail line between Ochre River and Ste. Rose, the District completed an assessment of the crossings, flora and fauna associated with the property. The District will continue to encourage public participation in the proposed recreation development of the track. The TRWCD also continued to maintain and enhance 906 ha of District owned land.

Wildlife/Fisheries Projects

Wildlife Incentive Program - A one-time payment of $300 is offered to local landowners under the Wildlife Incentive Program in return for leaving private land untouched for wildlife and other conservation benefits. To date, a total 529 ha of wildlife habitat have been cooperatively set aside.

The TRWCD also rehabilitated an existing wetland in the Upper Turtle River Watershed, south of McCreary. The project will also act as a headwater storage area, water supply for livestock operations and a recreational fishing site for both the landowner and District.

Public Education and Extension

The TRWCD Conservation Farm Family in 2000 was Joe and Annie Henowich and Stan and Linda Henowich of the McCreary area. The Youth Speaker was Melissa Wollmann of McCreary. Both the Henowich families and Melissa attended the 2000 Manitoba Conservation Districts Association Annual Conference in Brandon, Manitoba, proving to be excellent TRWCD representatives.

The TRWCD also actively participated in the National Soil Conservation, Forestry, Wildlife and Environment Week in such activities as:

- Soil and Water Conservation coloring contest in Grade 3, open once again to all schools within the District (three prizes per class).
- Trees were distributed in partnership with Prairie Farm Rehabilitation Administration.
- Various posters and presentations were completed.
- Field trips to Riding Mountain National Park.

As a member of many organizations, the TRWCD is able to network, find partnerships and new innovative ideas. The TRWCD also supports many community efforts by supplying various promotional items.

The District maintains a comprehensive, up-to-date inventory of slides and pictures of all District initiatives for educational purposes and is actively involved in community fairs, various summer events and hosts an annual banquet to inform the public on the many projects and partnerships.

Administration and Program Support

Administrative costs include staff salaries and expenses; Board and 23 Sub-District Members remuneration, rent and office operation costs. The District office staff is maintained at two full time, one term and one part time project consultant. The TRWCD also employs five full time seasonal works crews and with the assistance of the Summer Career Placement Program and the Hometown Green Team Program, one summer student is hired to assist with many District initiatives.

Upper Assiniboine River Conservation District

Introduction

The Upper Assiniboine River Conservation District (UARCD) is located southwest of Riding Mountain National Park. The District was established as the eighth Conservation District in Manitoba in May 1996, one year after flooding was widespread in southwestern Manitoba. Currently, the UARCD is comprised of the Member municipalities of Archie, Rossburn, Ellice, Birtle, Shoal Lake, Miniota, Hamiota and Woodworth and includes the Towns of Rossburn, Birtle, Shoal Lake and Hamiota. There are nine Sub-Districts formed on the basis of Watershed Divisions. The UARCD Sub-Districts are Qu'Appelle River, Wythes Niso Creek, Snake Creek, Birdtail River, Minnewasta Creek, Arrow River, Upper Oak River, Lower Oak River and Lower Assiniboine River.

The UARCD covers an area of approximately 5,254 square km. Soils and topography change dramatically from one corner of the District to the next. Generally, in the north and west areas of the District there is steeper topography and lighter soils. Consequently, this area is more prone to erosion. Heavier soils and flatter land are more common in the southeast where there is more concern with flooding than erosion.

Soil and Water Programs continue to focus on erosion control, flood prevention and improvement in water quality. The challenge for the Conservation District Board and staff is to deliver effective Programming to all landowners in the District across a wide range of soil and topography types.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#72 - Upper Oak River	Wilf Chegwin	Shoal Lake
#73 - Lower Oak River	Bruce Cochran	Hamiota
#73A - Lower Assiniboine	Rodney Pearn	Virden
#74 - Minnewasta Creek	Rusty Still	Isabella
#74A - Arrow River	Theresa Michalchuk	Shoal Lake
#77 - Birdtail River	Ron Kostesky	Rossburn
#78 - Snake Creek	Oliver Low	Foxwarren
#78A - Wythes/Niso Creek	Ron Bryant	Miniota
#78B - Qu'Appelle River	Guy Huberdeau	St. Lazare
Provincial Appointee	Gerald Shier	Crandall
Board Chairperson	Leonard Sitko	Oakburn

Summary

Spring arrived early in the UARCD in 2000. There was virtually no runoff from snowmelt because the area received very little snow during the winter of 1999-00. Good summer weather, as well as a number of project sites accessible prior to harvest, allowed the District to undertake a number of projects early in the work season. Consequently, much of the District's fieldwork was completed by mid-September. Unfortunately, heavy rainstorms during July and August, including a tornado in the Crandall area, kept runways through cropland saturated and prevented any late season repairs to these sites.

The 2000-01 Program year was the most active in the history of the District. Soil and water management remained the focus of the UARCD. The delivery of Programs increased with the support of external partners, the expansion into the Rural Municipality of Woodworth and subsequent increases in the Provincial grant from Manitoba Intergovernmental Affairs. Partnerships between UARCD and Ducks Unlimited Canada's (DUC) Habitat Conservation Program, provided the District with a broader resource platform to deliver to all producers in the area. These partnerships also increase the financial resources of the District for Program delivery.

Other resource agencies partnering with the District during the Program year include Prairie Farm Rehabilitation Administration (PFRA), Manitoba Agriculture and Food, Manitoba Cattle Producers Association, Delta Waterfowl and Manitoba Conservation. The most important partners continue to be the local landowners. The cooperation and stewardship exhibited by these individuals ensures a healthy future for the Conservation District Program in Manitoba and a healthy landscape for future generations. However, without the generous support of our Member municipalities and Manitoba Intergovernmental Affairs, none of this would be possible.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Office Operation		$18,416
Program Management		120,495
Water Program		87,161
Soils Program		95,072
Public Education		34,256
Wildlife		18,607
Assets		9,243
	TOTAL	$383,250

For further details please see Auditor's Report, Appendix I.

Water Management

During the spring of 2000, the District experienced minimal runoff. The dry spring weather, combined with adequate soil moisture from the previous fall, produced good seeding conditions. Unfortunately, a wet summer and fall increased crop disease and resulted in an extended harvest, often with reduced quality grain.

The District also experienced heavy precipitation during the summer of 2000. During one week in July, the Arrow River Sub-District received over seven inches of rain. Consequently, there was some agricultural flooding throughout the valley. This amount of rain stressed a Backflood Project on the Arrow River near Shoal Lake. Minor repairs were made to it in 2000, but more may be needed during the 2001 Program year.

The Birdtail Valley received over five inches of rain during one thundershower. This led to extensive agricultural flooding in the Valley. Significant erosion also occurred on several sites. However, existing shale traps and small dams worked very well to reduce erosion in problem sites, holding some water for headwater storage to extend the runoff, slow water and reduce erosion.

During the year, the District continued its commitment to water storage and erosion control. A new small dam, complete with a control to draw down the structure, was constructed. In addition, a leak was repaired in a small dam and some minor repairs were completed on a Backflood Project. The District also continued its commitment to erosion control and improving downstream water quality by making repairs to two grassed runways and seeding a new grassed run. Another new project was the stabilization of a section of bank along the Assiniboine River.

The focus on clean water was not limited to grassed runways. The UARCD installed nine alternative Water Projects to remove livestock from water bodies. These projects improve water quality on-site and downstream of the project, as well as improving weight gains for livestock.

The UARCD also constructed 12 livestock crossings. Livestock crossings limit access of livestock to waterways, improving both the downstream water quality as well as the health of the animals. Finally, in order to improve water quality from livestock wintering yards, the District constructed two setting ponds in an attempt to minimize runoff from these areas.

The protection of groundwater quality also remained a priority of the UARCD. In addition to providing information on how to properly inspect and shock chlorinate an active well, the District was responsible for capping or sealing 32 abandoned wells. This activity will protect the groundwater supply from accidental contamination by surface water and will safeguard against the danger of a sinking well.

Soil Management

This year was one of the most successful soil management years in the history of the District. The Forage Seed Program continues to expand, assisting 67 landowners in placing an estimated 1,230 ha of land under permanent cover. This number of landowners and sown ha represents the District's largest Forage Seed Program to date.

For alkali land, the District offers a Salinity Seed Program in conjunction with DUC. This year, 14 landowners participated in the Salinity Barrier Program and each sowed up to 5 ha of saline land to permanent cover.

The District continued to partner with DUC and offered a No-till Program to landowners within the District involving seven landowners. Eleven landowners utilized the District's no-till seed drill in the Miniota area this year. Unfortunately, the Yellowhead seed drill, which previously serviced the Shoal Lake and Rossburn areas, had to be retired due to its poor state of repair. The forage variety plot was maintained along Highway 42 using significant weed control.

The Shelterbelt Program continued with the UARCD staff providing technical assistance and labour to landowners. The District also began a plastic mulch application service for residents. Plastic mulch reduces weed maintenance and provides greater heat transfer to the soil improving growing conditions. Trees and the mulch applicator for this Program are provided by PFRA. Fourteen landowners used this service during 2000-01.

The District also provided technical and financial assistance to landowners willing to install rotational grazing systems. Two Rotational Grazing Project demonstration sites in UARCD have shown that rest rotation of grasslands improves grassland health, allows greater cattle stocking rates and improves habitat for wildlife. The District assisted with five Rotational Grazing Projects.

Wildlife

The District continues to partner with a variety of agencies on Wildlife Projects. Partnerships continued with DUC, Manitoba Habitat Heritage Corporation, Manitoba Conservation and Critical Wildlife Habitat.

The District continued to offer the DUC Habitat Conservation Agreement. This Program provides funding for saline seed assistance, backflood irrigation, small dam construction, drill rental assistance, a No-till Program, flushing bars and a variety of Habitat Lease Programs.

During 1999 a partnership was established with Manitoba Conservation to implement a twice over grazing system on a Wildlife Management Area to increase grassland biodiversity and improve wildlife habitat. That Program continued in 2000.

Through funding provided by the Critical Wildlife Habitat Program, UARCD was able to assist with the construction of a snake hibernaculum south west of Hamiota. This hibernaculum will support the most eastern known den site of western plains garter snakes. This subspecies of garter snake is distinct from the red sided garter snake that is typically found in other areas of the Province, most notably the Interlake area.

The UARCD also worked with Critical Wildlife Habitat to establish a series of Conservation Corridors throughout the Rural Municipality of Birtle. These areas are protected from development in the immediate future. This Program will hopefully be expanded to more Rural Municipalities during the 2001-02 Program year.

Public Education

Public education continued to be an ongoing priority of the District. The UARCD is still a young District and promotion of the Districts Programs and projects is still needed.

Literature was mailed out to the District residents, including two newsletters and the Manitoba Conservation Districts Association magazine. Several articles were written for local papers, including information on proper well maintenance, the local Conservation Farm Family winners and information on the Youth Speaking competition.

During the year, work progressed beyond the issues and options stage of the management plan and hopefully a first draft of the management plan will be completed soon.

In association with Manitoba Hydro, the District participated in tree planting events in Miniota and provided trees at local parades. The District participated in parades in Miniota, Oakburn, Birtle, Hamiota, Rossburn, Crandall and Shoal Lake and took part in the fair at Harding.

Mark and Cindy Morton and family of Miniota were selected as the Conservation Farm Family for 2000 and the Youth Speaker was Lindsay Nakonechny.

The largest Education Program offered by the District was the Beaver Control Demonstration Program. This Program demonstrated the proper use of levelers and beaver deceivers at municipal crossings.

Program Management

Program management continues to expand slightly as the District expands in budget and territory. The

Administrative Program provides staff salaries, expenses, remuneration of the Board and Sub-District Members, office rent and salary for the Administrator. Program support includes technical support staff, Program coordination and planning.

West Souris River Conservation District

Introduction

The West Souris River Conservation District (WSRCD) was officially incorporated as Manitoba's seventh Conservation District on January 1, 1995. Expansion of the District on April 1, 1999 added the Rural Municipality of Cameron to the original membership of Albert, Edward, Pipestone and Sifton Municipalities. A total of seven Sub-Districts were formed on the basis of the watersheds of the several creeks within the District.

The WSRCD covers approximately 4,195 square km of southwestern Manitoba. Soils are generally light and prone to erosion. Communities in WSRCD face numerous challenges in sustaining long-term, productive use of their natural resource base. District Programs have been designed to locally manage soil and water resources in the area.

WEST SOURIS RIVER CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#98 - North Pipestone/Sifton	Richard Thiry	Oak Lake
#62 - Plum Creek	Doug Wilson	Reston
#63 - Stony Creek	Lloyd Atchison	Pipestone
#64 - Jackson/Graham Creek	Manson Moir	Tilston
#65 - Gainsborough/South Antler	Tim McMechan	Lyleton
#67 - Central Souris River	Gordon White	Hartney
#68 - Elgin Creek	Greg More	Elgin
Provincial Appointee	Bill Henderson	Oak Lake
Board Chairperson	Gregg Fotheringham	Reston

Summary

Aquifer and watershed planning initiatives progressed well in 2000. Water quality in WSRCD remained a high priority. Testing of private wells increased as awareness by residents to water quality issues increased. Soil protection and soil building in the District got back on track after a disastrous 1999 when most fields had to lie fallow to control weeds and dry out soils.

The new WSRCD office was officially opened in June 2000. The Canupawakpa Nature Trail was very popular with local residents, as well as tourists visiting the area. School Programs again made up a big part of the Education Programming in WSRCD.

Partnerships for Program delivery were formed with numerous agencies, including Ducks Unlimited Canada (DUC), Manitoba Habitat Heritage Corporation (MHHC), Fisheries Enhancement Initiative (FEI), Provincial and Federal Departments and the Critical Wildlife Habitat Program (CWHP).

TOTAL EXPENDITURES 2000-01

Activity	Expenditure
Water Management	$70,989
Soil Management	163,047
Public Education and Awareness	25,546
Wildlife Management	17,680
Program Management (Amortization included)	153,599
Assets	67,158
TOTAL	$498,019

For further details please see Auditor's Report, Appendix J.

Water Management

The WSRCD's commitment to water management remained strong into the new millennium. March 2000 saw the completion of a management plan for the Oak Lake Aquifer. Although the plan development was spearheaded by the Provincial Government, WSRCD was involved with the planning process and will be actively involved with the plan's implementation being represented on the education, quality and monitoring committees. A technical report for the Three Creeks Watershed was developed by members of the Technical Advisory Group (TAG) over the course of the year and was presented to the Three Creeks Association in March 2001. The Stony Creek Sub-District continued to assess the issues associated with that Watershed as part of the Three Creeks plan.

Testing of private wells increased dramatically in 2000. Six hundred and fifty water samples were sent to the lab for bacteria and nitrate tests. The results of the testing showed significant failures with 48% of wells contaminated with coliforms, 9% with E-coli and 31% (twice the Provincial level) with high levels of nitrates, justifying the Board's concern for water quality and their reluctance to eliminate such a valuable service for the future under instruction from the Commission. Surface water testing continued in WSRCD with each of the District's streams sampled during runoff.

Water Supply Projects included the establishment of six new farm wells and the sealing of eight old wells. Three watering systems were set up to provide off site watering for livestock. Through a partnership with Manitoba Agricultural Sustainability Initiative (MASI), three remote dugouts were equipped with geo-textile ramps to provide firm footing for cattle and reduced muddying of the water. Surveys were carried out on three potential small Dam Projects. The Water Inventory and Investigation Project was started as a Pilot Project in the Rural Municipality of Edward. Through a partnership with Prairie Farm Rehabilitation Administration (PFRA), residents were surveyed to gather information on water supplies, use and quality with a goal of building an inventory of water supplies in WSRCD.

Bioengineering Projects to stabilize eroded stream banks on the Pipestone Creek were funded in part by FEI. Three sites were reconstructed. A Greenbanks partnership with MHHC completed the District's Riparian Program.

Soil Management

Protection of the soils in WSRCD continued through the delivery of forage, reduced Tillage and

Shelterbelt Programs. Thirty-six producers addressed soil problems such as droughty conditions, light soils, salinity and flooding on 688 ha through the Problem Soils Program. An additional 10 producers received saline tolerant forage seed from DUC to increase production on areas affected by salinity. Forage in Rotation returned 130 ha of forage planted on light soils back to annual cropland with the use of chemical and no-tillage. Eighty-three farmers ordered forage seed through WSRCD's bulk order.

The District purchased a new JD 1560 no-till drill in the spring of 2000. Over 810 ha were planted with the drill. Several farmers entered into an agreement with DUC to practice no-till on their fields and to preserve wetlands in return for assistance provided by DUC. New shelterbelt plantings totaled 19.31 km.

Public Education and Awareness

The grand opening of the new WSRCD office in Reston was held on June 16, 2000. Chairperson Gregg Fotheringham, and the Reeves from the member municipalities, cut the ribbon to officially open the office.

The official opening and dedication of the Canupawakpa Nature Trail also took place on the same day. The Canupawakpa Trail was visited by more than 400 people, some from as far away as Germany, Italy and throughout the United States and Canada. Staff provided guided tours to four classes from local schools.

Other educational activities included aquatic insect studies, classroom conservation, Oak Hammock's "On the Go Program" and the Clean Stream Team. New in 2000 was a Shelterbelt Education Project with the Pierson horticulture and environmental studies class. Students planted trees using a tree planter and also learned to identify shelterbelt species by their many different characteristics.

Ron and Pat Rutherford and family were selected as the Conservation Farm Family. The WSRCD was again represented by Danielle McMechan in the Youth Speaking Program.

Wildlife

The WSRCD continued to take part in the Mixed-Grass Prairie Grazing Project funded in part by Action 21 and wildlife agencies, such as CWHP, MHHC, DUC and several Departments of the Provincial Government. This Project demonstrates the twice-over rotation concept and the associated benefits to wildlife.

Program delivery through the DUC Habitat Conservation Agreement included drill rental assistance, No-till Programs and habitat leases.

A proposal to FEI to carry out an inventory of fish habitat and movement in streams received approval, but runoff in many of the streams was too insignificant to proceed with the study and it was therefore postponed until 2001. Oxygen levels in Oak Lake fell to levels too low for fish survival during the later part of the winter of 2000-01 and as a result the aeration system operated by WSRCD was set up.

Program Management

Administrative costs include staff salaries and expenses, Board and Sub-District Members remuneration and office operation. Reimbursement for office space and secretarial duties continued to be provided by MHHC. Summer Career Placement supported one summer position.

Assets

New assets included the JD 1560 no-till drill and the office. Financing for the office was secured through a debenture held by the Rural Municipality of Pipestone.

Whitemud Watershed Conservation District

Introduction

The Whitemud Watershed Conservation District (WWCD), incorporated in March 1972, includes approximately 711,495 ha extending from Carberry north to Kelwood and from Portage Diversion west toward Minnedosa.

The area includes all or portions of the Rural Municipalities of Alonsa, Clanwilliam, Elton, Glenella, Lakeview, Langford, Lansdowne, McCreary, Minto, North Cypress, North Norfolk, Odanah, Portage la Prairie, Rosedale and Westbourne, the Towns of Gladstone and Neepawa and the Village of MacGregor. There are 8 Sub-Districts, determined by the drainage basins of the major tributaries of the Whitemud River. There are 67 Sub-District Members who act in an advisory capacity to the main Board, with each committee chairperson sitting on the Board.

WHITEMUD WATERSHED CONSERVATION DISTRICT
BOARD MEMBERS 2000-01

SUB-DISTRICT	CHAIRPERSON	ADDRESS
#35 - Willowbend Creek	Tom Tunski	Rossendale
#36 - Westbourne Drain	Bill Wieler	MacGregor
#37 - Squirrel Creek	Minnie Parynuik	MacGregor
#38 - Pine Creek	Roy McConnell	Gladstone
#39 - Central Whitemud	Glenn Montgomery	Neepawa
#40 - Upper Whitemud	Wes Pankratz	Minnedosa
#42 - Big Grass Marsh	Einar Sigurdson	Lakeland
#43 - Big Grass River	Danny Post	Waldersee
Provincial Appointee	Bud G. Johnson	Neepawa
Board Chairperson	Robert Rodgers	MacGregor

Summary

In the Water Control Program, 733 km of drainage channels were mowed, 34 km of drains were upgraded, 9 grassed runways were initiated, 4 Creek Fencing Projects to improve riparian areas were constructed with 6 additional projects initiated and 2 Bank Stabilization Projects were completed. Sixty-nine bridge and culvert crossings were repaired and 52 crossings were replaced. The District also replaced five crossings under the terms and conditions of the Memorandum of Understanding (MOU) on PR/PTH crossings, with Manitoba Intergovernmental Affairs.

Soil Conservation initiatives saw 134 landowners seed down 2,432 ha of erosion risk soils to forages and 48 km of field shelterbelts planted. W.F. Wiebe Farms won the Conservation Farm Family Award. Shelterbelt Awards were presented to W.F. Farms, Myker Farms and Waterhouse Farms.

The District sponsored a number of conservation education initiatives with area schools. The "Johnny Appleseed" Program provided 250 apple trees to Grade 5 students in 11 area schools. Over 2,000 trees were distributed to 9 communities through the "Conservation Tree Train" Program.

The year 2000 was highlighted by the distribution of 3,000 potted spruce to provide a living symbol of the start of the new millennium. The District's Capital Works were cut short by a wet fall and early winter.

TOTAL EXPENDITURES 2000-01

Activity		Expenditure
Water Management		
Maintenance		$258,372
Crossings		255,301
CMRM Ltd.		7,731
Soil Conservation		185,000
Habitat and Wildlife		28,205
Public Education/Extension		54,530
Program Management		
Administration		159,723
Program Support		66,403
Assets		
Infrastructure Reserve Account		30,000
	TOTAL	$1,045,265

For further details see Auditor's Report, Appendix K.

Water Management

The District's Water Management Program includes the responsibility for the maintenance and reconstruction of 1,760 km of man-made drains. It also includes the repair and replacement of bridges and culvert crossings (1,265 in total). Other water management activities include construction of grassed runways to prevent soil erosion, small dam construction to store water, shale trap installation to prevent channel sedimentation and Gully Stabilization Projects. The District completed water quality sampling along the Whitemud River in partnership with Manitoba Conservation.

The District initiated two major concepts to aid in water management planning for the future. The District reached an agreement to partner with Manitoba Conservation in a 2-year Pilot Project on drainage licensing and administration and initiated a large-scale water retention concept.

Each Sub-District implemented one or more specified projects within its area. They are as follows:

Sub-District #35:

- Six crossings replaced by the Sub-District.
- Maintenance on 10 crossings.
- Reshaping done on Tomchuk, Rignold, Rat Creek, Lelant, Hulme and Charlton Drains.
- Partnered with Rural Municipality of Portage la Prairie and Province on a Diversion Project.
- Mowing maintenance.

Sub-District #36:

- Maintenance on eight crossings.
- Three crossings replaced through Infrastructure Program.
- Six crossings replaced by Sub-District.
- Auguring through pipe into railway track bed.
- Reshaping done on Lake 24 and Bindon Drains.

Sub-District #37:

- Maintenance done on seven crossings.
- Control of leafy spurge and small shrubs.
- Six crossings replaced by Sub-District.
- Reshaping done on Orangeville and Jensen Drains.
- Mowing maintenance.

Sub-District #38:

- Maintenance on nine crossings.
- One crossing replaced through Infrastructure Program.
- Two crossings replaced by Sub-District.
- Control of leafy spurge and small shrubs.
- Purchase additional land and finalize legal survey plan on Fourth Base Water Storage Project.
- Mowing maintenance.

Sub-District #39:

- Maintenance on nine crossings.
- Control of leafy spurge and small shrubs.
- Seven crossings replaced by Sub-District.
- One runway worked on, a very wet fall.
- One bank stabilization.
- Mowing maintenance.

Sub-District #40:

- Worked on two runways.
- Maintenance on three crossings.
- Mowing maintenance.
- Beaver dams removed.

Sub-District #42:

- Maintenance on 10 crossings.
- Control of leafy spurge.
- Ten crossings replaced by Sub-District.
- One crossing replaced through Infrastructure Program.
- Cleanout on Gopher, Prairie Farm Rehabilitation Administration, Watson and Ford Drains.
- Survey attained on Sollner Drain from Manitoba Conservation.
- Mowing maintenance.

Sub-District #43:

- Maintenance on 13 crossings.
- Mowing, small shrub spraying and hand brushing.
- One crossing replaced through Infrastructure Program.
- Nine crossings replaced by Sub-District.
- Cleanout of Glenella, Jumping Deer, Craik, Wutke, Schmidt and Bohn Drains.
- Cleanout of Lone Spruce Drain in cooperation with Manitoba Transportation and Rural Municipality of Alonsa.
- Beaver dam removed.

Soil Conservation

Forage Assistance Program: There were 2,432 ha seeded to forage by 134 landowners. Cost sharing was 75% landowner and 25% District.

Shelterbelt Assistance Program: There were 48 km of new plantings, including field shelterbelts, wildlife tree plantings and block tree plantings. There were 142 km of shelterbelts cultivated. Shelterbelt Awards were presented to Myker Farms, W.F. Farms and Waterhouse Farms.

Riparian Program: Four "Healthy Streambanks" Projects were developed to promote livestock management and improved riparian areas within the Whitemud River Watershed.

Wildlife and Habitat Programs

Wildlife Habitat Preservation: Three new Wildlands Projects were established and signs were erected at each site. Six projects were identified and initiated in the Upper Whitemud Basin Study area. This study identified over 50 potential projects to improve habitat, wildlife and farming practices along Stoney Creek, Boggy Creek and Brookdale Drain.

Public Education and Extension Services

- Three thousand potted spruce distributed in District's Millennium Tree Project
- One hundred Boy Scouts planted 4,000 trees
- Neepawa Grade 4 students planted 2,000 trees at Great Plains Interpretive Centre site
- Two hundred fifty Grade 5 students received a 5 foot apple tree
- Conservation Tree Train delivered 4,000 trees to 9 communities
- Whitemud Newsletter distributed to all households; special edition on drainage
- District appeared in print media over 100 times
- Utilized radio advertising for Programs and promotion
- Over 20 presentations/tours given, highlighted by 12 presentations to students and 4 producer seminars
- Conservation magazine subscriptions purchased for 12 school libraries
- 29th Annual Whitemud Bonspiel held
- Met once with all 18 councils in District
- Distribution of District placemats (10,000) highlighting District works
- Six Drainage Open Houses held to announce Pilot Project
- Long-time Board Member Harold Manns received Manitoba Conservation Districts Association Builders Award

External Funding

The Board had an excellent year regarding cooperative partnership projects and external funding assistance. A summary is as follows:

Program/Partner	**Funding**
Summer Career Placement/Career Start	$2,700
Manitoba Hydro Forest Enhancement	4,000
Ducks Unlimited Canada	5,000
Fisheries Enhancement Initiative	8,655
PR/PTH MOU with Intergovernmental Affairs ($65,697 spent)	536,185
CMRM Ltd. Irrigation Partnership ($7,731 spent)	37,731
Millennium Bureau	9,403
TOTAL	$603,674

Administration

This Program includes staff salaries and expenses, remuneration for Board and Sub-District Members, rent and operating costs. Staffing remained unchanged for 2000.

ALONSA CONSERVATION DISTRICT NO. 3

FINANCIAL STATEMENTS

MARCH 31, 2001

ALONSA CONSERVATION DISTRICT NO. 3

MARCH 31, 2001

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chartered accountants

AUDITORS' REPORT

To the Members of the Board
Alonsa Conservation District No. 3
Alonsa, Manitoba

We have audited the balance sheet of Alonsa Conservation District No. 3 as at March 31, 2001 and the statement of revenues, expenditures and surplus (deficit) for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2001 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

The Exchange

chartered accountants

Winnipeg, Manitoba
May 4, 2001

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ALONSA CONSERVATION DISTRICT NO. 3

BALANCE SHEET
AS AT MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT		
Accounts receivable		
General	$ 42,432	$ 29,517
GST recoverable	-	6,106
Province of Manitoba	12,843	11,399
	55,275	47,022
FIXED, notes 1 and 2	9,077	6,803
	$ 64,352	$ 53,825
LIABILITIES		
CURRENT		
Bank overdraft	$ 42,064	$ 30,612
Accounts payable and accrued liabilities	-	757
Unexpended grants, note 3	30,149	26,501
	72,213	57,870
EMERGENCY RESERVE ACCOUNT	10,000	10,000
SURPLUS		
DEFICIT	(17,861)	(14,045)
	$ 64,352	$ 53,825

APPROVED BY THE BOARD:

______________________________ Chairman

______________________________ Member

ALONSA CONSERVATION DISTRICT NO. 3

STATEMENT OF REVENUES, EXPENDITURES AND SURPLUS (DEFICIT)
YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUES		
Province of Manitoba allocated grant	$ 219,444	$ 228,311
Municipal grants	57,200	57,200
Farmer assistance revenue	27,683	29,756
Grant revenue, page 6	40,778	109,290
Sundry	341	1,232
	345,446	425,789
EXPENDITURES		
Projects expenditures, page 6	159,797	235,067
Board remuneration and expense	10,268	13,216
Other administration	23,112	24,549
Staff wages	59,632	65,637
Soils	57,865	70,842
Public relations and education	11,470	7,104
Summer Career, Partners with Youth, and Green Team programs	15,392	16,375
Fisheries	4,578	3,532
Wildlife	1,419	995
Vehicle	11,839	17,541
GST recovered	(7,129)	(6,106)
Professional development	1,019	-
	349,262	448,752
EXCESS EXPENDITURES	(3,816)	(22,963)
SURPLUS (DEFICIT), beginning of year	(14,045)	8,918
DEFICIT, end of year	$ (17,861)	$ (14,045)

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2001

1. SIGNIFICANT ACCOUNTING POLICY

The financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policy summarized below:

(a) Depreciation

Depreciation on equipment is calculated on a straight-line basis at 15% and on the computer equipment at 25% per annum and prorated in the year of acquisition.

2. FIXED ASSETS

	Cost	Accumulated Depreciation	2001 Net Book Value	2000 Net Book Value
Office equipment	$ 51,860	$ 47,720	$ 4,140	$ 2,417
District equipment	4,339	4,339	-	-
Computer hardware	10,542	5,605	4,937	4,386
	$ 66,741	$ 57,664	$ 9,077	$ 6,803

3. UNEXPENDED GRANTS

	2001	2000
Ducks Unlimited	$ 3,483	$ 3,483
World Wildlife Fund	-	9,686
Infrastructure Reserve Fund	26,666	13,333
	$ 30,149	$ 26,501

4. STATEMENT OF CASH FLOWS

A separate statement of cash flows is not presented since cash flows from operating, investing and financial activities are readily apparent from the other financial statements.

5. COMMITMENT

The District entered into a three year operating lease of a 1999 GMC 4x4 at a monthly commitment of $600 to May, 2001. Minimum lease payments are:

2001	$	7,200
2002		1,200

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF GRANT REVENUE AND PROJECTS EXPENDITURES
YEAR ENDED MARCH 31, 2001

	2001	2000
GRANT REVENUE		
Summer Career Placement Program	$ 1,252	$ 1,252
Manitoba Hydro	5,000	2,412
Green Team Program	9,750	9,750
GIS Expansion	-	25,043
Fisheries Enhancement Fund	8,550	798
National Soil and Water Conservation Program	3,317	3,317
Infrastructure Program	-	50,000
Birdwatchers Fund	819	-
Culture and Heritage - Tobacco Rock	2,404	2,404
RM of Mossey River	-	1,500
World Wildlife Fund - LAFES	9,686	12,814
	$ 40,778	$ 109,290
PROJECTS EXPENDITURES		
Ceremonial Site	$ 13,137	$ -
Infrastructure	-	65,045
Forestry	238	4,758
Fisheries Habitat Enhancement	10,052	5,025
PR and Education	-	8,099
GIS Expansion	-	32,162
Miscellaneous crossing repairs	17,497	11,421
Water	23,643	20,534
Channel Maintenance	38,901	64,385
Channel Maintenance - Beavers	37,081	-
World Wildlife Fund - LAFES	10,946	12,814
Trail Maintenance	3,925	5,975
National Soil and Water Conservation Program	1,195	4,849
On-Site Program	3,182	-
	$ 159,797	$ 235,067

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2001
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
PROJECTS AND PROGRAMS					
Trails Maintenance	$ 3,924	75/25/0	$ 2,943	$ 981	$ -
Surveying and Engineering	5,000	75/25/0	3,750	1,250	-
Summer Career Placement	2,320	35/11/54	801	267	1,252
Public Relations and Education	12,091	75/25/0	9,068	3,023	-
On-Site Placement Program	3,182	75/25/0	2,387	795	-
Green Team	13,072	19/6/75	2,492	830	9,750
WWF/ACD LAFES Project	10,946	9/3/88	945	315	9,686
Forage Seed Program	57,681	52/0/48	29,999	-	27,682
Soils Conservation Program	184	75/25/0	138	46	-
Wildlife Habitat	1,419	31/11/58	450	150	819
Fish Spawning	4,578	75/25/0	3,433	1,145	-
Fish Habitat Projects	10,052	11/4/85	1,127	375	8,550
Forestry	238	75/25/0	178	60	-
Channel Maintenance	41,201	75/25/0	30,901	10,300	-
Crossings	17,497	75/25/0	13.123	4,374	-
Mellonville Drain Project	1,500	75/25/0	1,125	375	-
NSWCP	1,195	23/7/77	(1,591)	(530)	3,316
Well-capping program	3,810	75/25/0	2,857	953	-
Ceremonial Site	13,137	33/11/56	4,300	1,433	7,404
GST refund	(7,129)	75/25/0	(5,347)	(1,782)	-
Channel maintenance-Beavers	37,081	75/25/0	27,811	9,270	-
Infrastructure Reserve Fund	13,333	75/25/0	10,000	3,333	-
Professional Development	1,019	75/25/0	764	255	-
	247,331		141,654	37,218	68,459
PROGRAM SUPPORT					
Board remuneration	10,268	75/25/0	7,701	2,567	-
Office administration	21,981	75/25/0	16,486	5,495	-
100% Board administration	484	0/100/0	-	484	-
Manager salaries and expenses	35,659	75/25/0	26,744	8,915	-
Fin. Ad. salaries and expenses	23,973	75/25/0	17,980	5,993	-
Vehicle expenses	11,839	75/25/0	8,879	2,960	-
	104,204		77,790	26,414	-

ALONSA CONSERVATION DISTRICT NO. 3

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
YEAR ENDED MARCH 31, 2001
(Unaudited)

	Total	% Shareable Prov./Dist./ External	Province Share	District Share	External Share
OTHER PROGRAMS					
A. Robertson Museum	6,080	0/0/100	-	-	6,080
ASSETS					
Non-cost shared depreciation	1,920	0/100/0	-	1,920	-
TOTAL	$ 359,535		$ 219,444	$ 65,552	$ 74,539

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE / PAYABLE
YEAR ENDED MARCH 31, 2001

	2001	2000
Provincial Grant	$ 218,000	$ 218,000
Less, receivable, beginning of year	11,399	1,088
	206,601	216,912
Less: Provincial allocation	219,444	228,311
Receivable, end of year	$ 12,843	$ 11,399

COOKS CREEK
CONSERVATION DISTRICT NO. 5

FINANCIAL STATEMENTS

MARCH 31, 2001

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12	Schedule of District Programs
13	Schedule of Cost Sharing

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Winkler, Manitoba
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AUDITOR'S REPORT

TO THE MEMBERS:
COOKS CREEK CONSERVATION DISTRICT NO. 5

I have audited the balance sheet of Cooks Creek Conservation District No. 5 as at March 31, 2001 and the statements of changes in surplus, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the current and prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $331,681. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit, revenue and excess of revenue over expenditures.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the balance of unfunded deficit described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2001 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with generally accepted accounting principles.

Jim Smith

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
May 10, 2001

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET

MARCH 31, 2001

ASSETS

	2001	2000	1999
CURRENT			
Cash	**$ 47,855**	$ 112,360	$ 74,342
Accounts receivable (note 2)	**16,340**	14,230	36,202
Accounts receivable - Province of Manitoba	**-**	154,865	-
Prepaid expense	**360**	-	31
	64,555	281,455	110,575
CAPITAL (note 4)	**30,361**	30,361	17,922
INVESTMENT (note 5)	**9,000**	9,000	9,000
UNFUNDED DEFICIT (note 3)	**331,681**	220,339	246,103
	$ 435,597	$ 541,155	$ 383,600

APPROVED BY

Director

Director

COOKS CREEK CONSERVATION DISTRICT NO. 5

BALANCE SHEET

MARCH 31, 2001

LIABILITIES

	2001	2000	1999
CURRENT			
Accounts payable	$ 156	$ 132,509	$ 53,050
Unearned revenue	-	-	4,500
	156	132,509	57,550

SURPLUS

	2001	2000	1999
SURPLUS (page 4)	435,441	408,646	326,050
	$ 435,597	$ 541,155	$ 383,600

Change in accounting policy (note 7)

Commitment (note 8)

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000	1999
Surplus, beginning of year	$ 408,646	$ 326,050	$ 324,315
Excess (deficiency) of revenue over expenditures	26,795	66,864	(5,472)
Transfer capital purchases net of direct funding	-	15,732	7,207
SURPLUS, END OF YEAR	$ 435,441	$ 408,646	$ 326.050

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000	1999
REVENUE			
Municipal levies			
Rural Municipality of Brokenhead	$ 282	$ 282	$ 280
Rural Municipality of Ste. Anne	1,995	1,984	1,810
Rural Municipality of Springfield	116,089	115,902	101,476
Rural Municipality of Tache	6,995	6,942	6,740
Provincial grants			
Rural development - funded	192,000	192,000	192,000
- unfunded	111,342	(25,764)	178,794
Other funding	6,971	7,284	5,600
Canada Employment	2,112	2,112	2,376
Cost sharing - Salmon Lake study	4,494	-	-
Drainage and crossing projects			
Rural Municipality of Brokenhead	-	1,277	-
Rural Municipality of Springfield	82,559	12,397	-
Rural Municipality of Tache	7,000	-	-
Manitoba Conservation	2,500	9,000	2,500
Manitoba Disaster Assistance	-	-	7,569
Manitoba Environment	13,813	13,984	22,771
National soils and PFRA	3,041	2,819	2,911
Rural Municipality of St. Clements	-	-	11,295
Structure replacement			
Provincial	-	450,000	450,000
Rural Municipality of Springfield	-	150,000	150,000
Interest income	3,427	1,821	5,024
	554,620	942,040	1,141,146
EXPENDITURES			
Program management (page 10)	76,358	70,296	86,875
Public education (page 10)	10,844	9,954	14,059
Assets (page 10)	-	4,187	7,207
District programs (page 11)	440,623	790,739	1,038,477
	527,825	875,176	1,146,618
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ 26,795	$ 66,864	$ (5,472)

COOKS CREEK CONSERVATION DISTRICT NO. 5

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenditures	$ 26,795	$ 66,864	$ (5,472)
Adjustment for:			
Amortization	-	3,293	3,757
	26,795	70,157	(1,715)
Changes in non-cash working capital (note 6)	(91,300)	(32,141)	(151,843)
Cash flows from (used in) operating activities	(64,505)	38,016	(153,558)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of capital assets	-	(15,732)	(7,207)
Increase in investment	-	-	(9,000)
Cash flows from (used in) investing activities	-	(15,732)	(16,207)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer capital purchases to capital assets	-	15,732	7,207
NET INCREASE (DECREASE) IN CASH	(64,505)	38,016	(162,558)
Cash at beginning of year	112,360	74,344	236,902
CASH AT END OF YEAR	$ 47,855	$ 112,360	$ 74,344

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. SIGNIFICANT ACCOUNTING POLICY

a) **Inventories**

Inventories of materials and supplies are not taken into account. Such items are expensed in the year purchased.

b) **Income taxes**

Cooks Creek Conservation District No. 5 is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Capital assets**

Effective with fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase.

2. ACCOUNTS RECEIVABLE

	2001	2000	1999
Goods and services tax	$ 7,836	$ 14,230	$ 22,177
Rural Municipality of Springfield	8,504	-	-
Manitoba Disaster Assistance	-	-	14,025
	$ 16,340	$ 14,230	$ 36,202

3. UNFUNDED DEFICIT

Grants are received from the Province of Manitoba. A deficit results when District expenditures, which are cost-shared with the Province, exceed amounts for which funding has been received. Relevant details are as follows.

	2001	2000	1999
Balance, beginning of year	$ 220,339	$ 246,103	$ 67,309
Add: Provincial share of expenditures	303,342	166,236	370,794
Less: Provincial grant received	(192,000)	(192,000)	(192,000)
	$ 331,681	$ 220,339	$ 246,103

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value 2001	2000	1999
Land	$ 8,454	$ -	$ 8,454	$ 8,454	$ 8,454
Office & computer equipment	31,625	21,277	10,348	10,348	8,989
Program support equipment	18,472	6,913	11,559	11,559	479
	$ 58,551	$ 28,190	$ 30,361	$ 30,361	$ 17,922

5. INVESTMENT

In 1998, the District purchased GIS software and invested in a GIS fund partnership. The investment is stated at cost.

6. CHANGES IN NON-CASH WORKING CAPITAL

	2001	2000	1999
Increase (decrease) in cash from changes in:			
Accounts receivable	$ (2,110)	$ 21,972	$ (14,606)
Accounts receivable - Province of Manitoba	154,865	(154,865)	-
Unfunded deficit	(111,342)	25,764	(178,794)
Prepaid expenses	(360)	29	175
Accounts payable	(132,353)	79,459	36,882
Unearned revenue	-	(4,500)	4,500
	$ (91,300)	$ (32,141)	$ (151,843)

7. CHANGE IN ACCOUNTING POLICY

During the year, the District changed its accounting policy from capitalizing and amortizing assets to expensing assets directly to specific programs. The District will no longer amortize assets. The effect of this change has not been accounted for retroactively in the financial statements. Had this change in accounting policy not been adopted, excess of revenue over expenditures would have decreased by approximately $5,182 for the year.

COOKS CREEK CONSERVATION DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

8. COMMITMENT

Under the terms of a lease for its premises, the District is committed to minimum monthly payments of $631 for the period January 1, 2001 through August 31, 2001.

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000	1999
PROGRAM MANAGEMENT			
Amortization	$ -	$ 3,293	$ 3,757
Audit and legal	1,082	1,082	927
Board expenses (100%)	880	587	2,447
Board remuneration and expenses	9,682	7,368	11,410
Insurance	1,078	1,114	1,120
Office operation	1,143	1,545	2,004
Printing, postage and stationery	930	2,176	999
Rent	6,837	6,638	6,638
Manager salary and benefits (portion only)	32,908	23,513	36,676
Manager expense	1,331	888	1,665
Administrator wages and expenses	17,610	19,096	16,913
Utilities	2,877	2,996	2,319
	$ 76,358	$ 70,296	$ 86,875
PUBLIC EDUCATION	$ 10,844	$ 9,954	$ 14,059
ASSETS	$ -	$ 4,187	$ 7,207

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000	1999
DISTRICT PROGRAMS			
Water quality	$ 14,747	$ 14,899	$ 23,466
Riparian demonstration	-	300	-
Abandoned wells	9,123	5,456	5,734
Channel maintenance	118,801	83,414	205,377
Works coordinator salary and expenses	6,939	11,266	20,564
Survey crew salaries and expenses	37,078	24,952	41,457
Crossings	57,398	19,434	47,936
Fisheries inventory	2,022	6,506	-
Flood repairs	-	-	12,236
Engineering	5,056	-	-
Boundary drain	46,109	-	55,256
Centreline drain	37,571	10,540	-
Oakbank wetland drain	-	-	8,554
Sapton drain	781	27,225	-
Spruce drain	32,330	4,635	-
Tributary drain	66,616	-	-
Structure replacement	-	582,112	617,897
Water retention studies	6,052	-	-
	$ 440,623	$ 790,739	$ 1,038,477

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF DISTRICT PROGRAMS

FOR THE YEAR ENDED MARCH 31, 2001

	Sub-District 9	Sub-District 11	Sub-District 12			
	Lower Seine River	Cooks Creek	Carrs Creek	Other	2001	2000
Board programs						
Abandoned wells	$ -	$ -	$ -	$ 9,123	$ 9,123	$ 5,456
Fisheries inventory	-	-	-	2,022	2,022	6,506
Program support	-	-	-	42,135	42,135	24,952
Riparian	-	-	-	-	-	300
Water quality	-	-	-	14,747	14,747	14,899
Works co-ordinator	-	-	-	6,939	6,939	11,266
Capital works	-	-	-	116,791	116,791	42,400
Channel maintenance	48,167	63,379	7,255	-	118,801	83,414
Crossings	16,035	23,732	17,631	-	57,398	19,434
Structure replacement	-	-	-	-	-	582,112
Tributary drains	-	-	-	66,616	66,616	-
Water retention studies	-	6,052	-	-	6,052	-
	$ 64,202	$ 93,163	$ 24,886	$ 258,373	$ 440,624	$ 790,739

COOKS CREEK CONSERVATION DISTRICT NO. 5

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2001

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	$ 75,478	$ 168	$ 56,483	$ 18,827
Other	880	3,427	-	(2,547)
	76,358	3,595	56,483	16,280
PUBLIC EDUCATION	10,844	1,048	7,347	2,449
SUB-DISTRICT PROGRAMS				
Capital works	116,791	15,943	75,636	25,212
Channel maintenance	118,801	270	88,898	29,633
Crossings	57,398	11,700	34,273	11,425
Tributary drain	66,616	66,616	-	-
	359,606	94,529	198,807	66,270
BOARD PROGRAMS				
Fisheries Wildlife	2,022	785	928	309
Seal abandoned wells	9,122	5,541	2,686	895
Water quality sampling	14,748	13,813	701	234
Water retention studies	6,053	4,494	1,169	390
Works and survey crew	49,073	2,112	35,221	11,740
	81,018	26,745	40,705	13,568
TOTAL EXPENDITURES	$ 527,826	$ 125,917	$ 303,342	$ 98,567
TOTAL EXPENDITURES (%)	100	24	57	19

PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY	
2000/2001 Grant received	$ 192,000
Less: share of expenditures	303,342
INCREASE IN UNFUNDED DEFICIT	$ (111,342)

Appendix C

ZAPLITNY & ZAMRYKUT
Chartered Accountants

F.D. Zaplitny, C.A.
D.A. Zamrykut, B.Comm., C.A.
S.D. Love, B.Comm., C.A.

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INTERMOUNTAIN CONSERVATION DISTRICT

FINANCIAL STATEMENT

As at March 31st, 2001

AUDITORS' REPORT

We have audited the Statement of Financial Position of Intermountain Conservation District as at March 31st, 2001 and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at March 31st, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
June 27th, 2001

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Notes to Financial Statements	

(The accompanying notes are an integral part of these financial statements)

STATEMENT "1"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF FINANCIAL POSITION
As at March 31st, 2001 and 2000

	2001	2000
ASSETS		
Current Assets -		
Cash in Bank	$ 19,539	
Temporary Investments	4,629	16,296
Accounts Receivable	74,811	53,458
Inventory	3,029	3,135
	102,008	72,889
Investments	9,630	9,630
Capital Assets (Note 3)	127,369	139,158
Total	$ 239,007	221,677
LIABILITIES		
Current Liabilities -		
Bank Overdraft	$	31,709
Deferred Contributions	21,461	23,590
Accounts Payable	73,831	75,000
Current Portion of Long-Term Debt	7,236	
	102,528	130,299
Long-Term Debt (Note 4)	48,837	
Total	151,365	130,299
NET ASSETS		
Net Assets	87,642	91,378
Total	$ 239,007	221,677

Approved by the Board:

Ernie [illegible] Director

[illegible] Director

(The accompanying notes are an integral part of these financial statements)

STATEMENT "2"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF CHANGES IN NET ASSETS
As at March 31st, 2001 and 2000

	2001	2000
Net Assets, Beginning of Year	$ 91,378	100,721
Excess of Revenue Over/(Under) Expenditures	(3,736)	(9,343)
Net Assets, End of Year	$ 87,642	91,378

(The accompanying notes are an integral part of these financial statements)

STATEMENT "3"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF OPERATIONS
For the Years Ended March 31st, 2001 and 2000

	2001	2000
Revenue -		
Municipal Levies	$ 33,032	33,018
Town Levies	14,388	14,361
Provincial Grant	150,000	121,000
Land Owner	65,817	77,888
Other Revenue	23,646	37,351
	286,883	283,618
Expenditures (Schedule "1")	290,619	292,961
Excess of Revenue Over/(Under) Expenditures	$ (3,736)	(9,343)

(The accompanying notes are an integral part of these financial statements)

STATEMENT "4"

INTERMOUNTAIN CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

For the Years Ended March 31st, 2001 and 2000

	2001	2000
Cash Provided by (Used in) Operating Activities -		
Excess of Revenue Over/(Under) Expenditure	$ (3,736)	(9,343)
Non-Cash Items included in Expenditures		
Amortization	13,755	10,435
	10,019	1,092
Changes in Non-Cash Working Capital Components -		
Temporary Investments	11,667	(16,296)
Accounts Receivable	(21,353)	(37,201)
Inventory	106	40,685
Prepaid Expenses		1,314
Accounts Payable	(1,169)	73,372
Other	(2,130)	23,591
	(2,860)	86,557
Investing -		
Purchase of Capital Assets	(1,965)	(94,341)
Increase in Long-Term Debt	56,073	
Decrease in Cash	51,248	(7,784)
Cash (Deficit), Beginning of Year	(31,709)	(23,925)
Cash (Deficit), End of Year	$ 19,539	(31,709)

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "1"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES
For the Years Ended March 31st, 2001 and 2000

		2001	2000
Expenditures -			
Accounting and Legal	$	3,636	2,041
Advertising and Promotion			6,641
Amortization		13,755	10,435
Bad Debt Expense		89	
Bank Charges		2,969	179
Board Programs		87,271	
Creek Rehabilitation		3,204	
Equipment Maintenance		1,738	589
Fish & Wildlife		233	
Grassed Waterways		5,081	
IMCD Remuneration			13,027
Insurance		7,794	2,698
Inventory		809	
MCDA Dues and Subscription		1,500	1,255
Meetings and Conventions			2,851
Office Supplies		8,578	5,503
Property Taxes		1,595	
Public Relations & Education		14,703	16,630
Recreation and Tourism			320
Recreation Program		1,189	
Rent			3,130
Repairs and Maintenance		9,141	
Riparian Works		3,434	
Soils Program		6,029	122,393
Staff Wages and Benefits		78,124	48,062
Stream & Gully Stabilization		30,742	
Telephone		2,880	1,240
Utilities		1,606	
Vehicle Maintenance		4,315	5,245
WCB Coverage		204	242
Water Program			50,480
Total Expenditures	$	290,619	292,961

(The accompanying notes are an integral part of these financial statements)

SCHEDULE "2"

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF COST SHARING
For the Year Ended March 31st, 2001

	Expenditures	Cost/Share	External	Provincial	Local
Program Management -					
Insurance	$ 5,006	0/75/25		3,755	1,251
Utilities	4,486	0/75/25		3,365	1,121
Office Operation	8,667	0/75/25		6,500	2,167
Vehicle Operation	6,210	0/75/25		4,658	1,552
Equipment Maintenance	1,738	0/75/25		1,304	434
Erosion Control Measure	923	0/75/25		692	231
Bank Charges	204	0/75/25		153	51
Accounting and Legal Fees	3,636	0/75/25		2,727	909
Memberships	1,550	0/75/25		1,163	387
IMCD Renumeration	17,549	0/75/25		13,162	4,387
Wages - Staff	62,885	3/73/24	1,887	45,906	15,092
Building Expenses	12,740	0/0/100			12,740
Facility Charges	12,760	0/75/25		9,570	3,190
	138,354		1,887	92,955	43,512
Assets -					
Field Gear	900	0/75/25		675	225
Office Equipment	1,965	0/75/25		1,474	491
Property	15,000	0/100			15,000
	17,865			2,149	15,716
Public Relations & Education -					
Promotional Items	486	0/75/25		365	121
Education/Promotion	3,571	56/33/11	2,000	1,178	393
Advertising & Signage	2,140	0/75/25		1,605	535
Meetings & Conventions	4,084	0/75/25		3,063	1,021
Management Plan	4,422	0/75/25		3,317	1,105
	14,703		2,000	9,528	3,175
Stream & Gully Stabilization -					
Leonard Thiele	1,335	0/75/25		1,001	334
Chris Dzisiak	19,049	68/24/8	12,953	4,572	1,524
Keld Park	1,377	0/75/25		1,033	344
Rod Clark	963	0/75/25		722	241
Gordon McPhee	4,485	0/75/25		3,364	1,121
Leonard Harapiak	3,533	0/75/25		2,650	883
	30,742		12,953	13,342	4,447
Grassed Waterways -					
Buddy Herman	4,244	0/75/25		3,183	1,061
Sklepowich	837	0/75/25		628	209
	5,081			3,811	1,270
Riparian Works -					
Allan Sliworsky	553	0/75/25		415	138
Jim Lytwyn	1,429	0/75/25		1,072	357
Ed Duncalfe	1,452	69/23/8	1,002	334	116
	3,434		1,002	1,821	611
Creek Rehabilitation -					
Garland River Diversion	3,204	0/75/25		2,403	801
Recreation -					
Sifton Beach Boat Launch	130	0/75/25		98	32
Pleasant Valley Dock	1,059	0/75/25		794	265
	1,189			892	297
Fish & Wildlife -					
Rice Lake Pool & Riffle	233	0/75/25		175	58
Board Programs -					
Forage Seed	76,619	0/21/79		16,090	60,529
Trees & Shelterbelts	338	0/75/25		254	84
Seeding & Spraying	85	0/75/25		64	21
Abandoned Wells	10,132	0/75/25		7,599	2,533
Beaver Siphons	97	0/75/25		73	24
	87,271			24,080	63,191
	$ 302,076		17,842	151,156	133,078

(The accompanying notes are an integral part of these financial statements)

INTERMOUNTAIN CONSERVATION DISTRICT

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/(PAYABLE)
For the Years Ended March 31st, 2001 and 2000

		2001	2000
1999/2000 Provincial Grant Receivable	$	4,108	5,783
Add: 2000/01 Grant Allocated (Schedule "2")		151,156	119,325
		155,264	125,108
Deduct: Provincial Grant Received in 2000/01		150,000	121,000
2000/01 Provincial Grant Receivable	$	5,264	4,108

(The accompanying notes are an integral part of these financial statements)

INTERMOUNTAIN CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 2001

1. Incorporation and Commencement of Operations -

The Intermountain Conservation District was incorporated under the laws of the Province of Manitoba and commenced operations on July 15th, 1997.

Organization -
The Intermountain Conservation District operates under the authority of The Conservation Districts Act. The objectives for the District under the Act are to provide for the conservation control and prudent use of resources.

2. Accounting Policies -

The financial statements have been prepared on a going concern basis in accordance with generally accepted accounting principles and include the following significant accounting policies:

Investments -
Investments are recorded at the lower of cost and net realizable value.

Capital Assets -
Capital Assets are recorded at cost. Amortization is provided on a straight line basis over the estimated useful lives of the assets. The useful lives, with no salvage value are estimated as:

Building	30 Years
Automotive	8 years
Office Furniture	15 years
Office Equipment & Signs	5 years
Field Equipment	10 years

Income Taxes -
Intermountain Conservation District is a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

Revenue Recognition -
The financial statements have been prepared following the deferral method of accounting for contributions. Restricted contributions are recognized in the year to which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received.

Measurement Uncertainty -
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Financial Instruments -
The organization's financial instruments include instruments with short and long-term maturities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest rate and credit risks arising from these instruments.

INTERMOUNTAIN CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS
March 31st, 2001

3. Capital Assets -

	Original Cost	Accumulated Amortization	2001 Book Value	2000 Book Value
Land	$ 5,000		5,000	5,000
Automotive	39,033	16,095	22,938	27,817
Buildings	80,000	2,667	77,333	80,000
Furniture, Equipment and Signs	39,236	17,138	22,098	26,341
	$ 163,269	35,900	127,369	139,158

4. Long-Term Debt -

	2001
Ethelbert Credit Union Limited Commercial mortgage #2 Interest: 6.75% Terms: Repayable in blended monthly instalments of $900 for 85 months Security: Property SE 36-29-22 Original amount of mortgage was $60,000 which was received August 2000	$ 56,073
Less: Current Portion	7,236
	$ 48,837

5. Comparative Figures -

The financial information for the year ended March 31st, 2000 was prepared and audited by Meyers, Norris, Penny.

KELSEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS
(prepared with Audit)

MARCH 31, 2001

Prepared by the accounting firm of:
M. FAYE KOBELKA
Certified General Accountant

KELSEY CONSERVATION DISTRICT

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M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
R9A 1L2
TEL: 204-623-4664 FAX: 204-623-4686

Auditor's Report

To: The Board of Directors
KELSEY CONSERVATION DISTRICT

I have audited the statement of financial position of Kelsey Conservation District as at March 31, 2001 and the Statement of Operations and Changes in Net Assets for the year then ended. These financial statements are the responsibility of the District's Management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Generally Accepted Auditing Standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of Kelsey Conservation District as at March 31, 2001, and the results of its operations and the changes in it's net assets for the year then ended in accordance with Generally Accepted Accounting Procedures.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

June 23, 2000

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF FINANCIAL POSITION

Audited

	March 31 2001	2000
ASSETS		
CURRENT		
Cash	$ 475	$ 18,820
Accounts Receivable (note 3)	1101	714
Prepaid Expenses	120	-
Inventories	113	113
	1,809	19647
CAPITAL ASSETS (Note 5)	21,303	21,201
	$ 23,112	$ 40,848
LIABILITIES & FUND BALANCES		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses (note 4)	$ 2,938	$ 17,150
INVESTMENT IN CAPITAL ASSETS	21,303	21,201
FUND BALANCES		
General Operating Fund	(1,129)	2,497
	$ 23,112	$ 40,848

Approved on behalf of the Board

Kloyal

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF OPERATIONS
Audited

	March 31 2001	2000
REVENUES		
Grant Contributions	$ 97,774	$ 80,000
	97,774	80,000
EXPENDITURES		
Advertising	1,632	1,847
Amortization	6,715	2,635
Convention	2,634	300
Honorariums	9,600	9,450
Insurance	250	250
Meetings	4,749	3,600
Office & Supplies	1,838	1,295
Professional Fees	1,433	1,242
Project Expenses	22,308	-
Rent	4,635	2,450
Repairs & Maintenance	74	138
RM of Kelsey Fees	-	286
Telephone	1,826	1,323
Training	199	21
Travel	7,583	5,470
Utilities	1,082	-
Wages & Benefits	34,740	25,592
	101,298	55,899
Excess / (Deficiency) of Revenues over Expenditures	$ (3,524)	$ 24,101

(The accompanying notes are an integral part of these financial statements)

KELSEY CONSERVATION DISTRICT

COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS

Audited **March 31**

	2001 Investment in Capital Assets	General Operating Fund	Total Funds	2000 Total Funds
Balance, Beginning of Year	$ 21,201	$ 2,497	$ 23,698	$ (403)
Capital Transactions:				
Capital Asset Addition	6,817	(6,817)	-	-
Amortization	(6,715)	6,715	-	-
Excess / (Deficiency) of Revenue over Expenditures	-	(3,524)	(3,524)	24,101
Balance, End of Year	$ 21,303	$ (1,129)	$ 20,174	$ 23,698

(The accompanying notes are an integral part of these financial statements)

1. OPERATIONS

Kelsey Conservation District operates under an established Board of Directors, who self select the positions within the Board. The Kelsey Conservation District was established primarily for the purpose of providing resource programs and planning for sustainable soil and water management within the RM of Kelsey.

The funding for their operations is provided on a Provincial (75%) and Municipal (25%) basis. Additional funds may be obtained through partnerships with external agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

General

In accordance with generally accepted accounting principles, the organization utilized the accrual basis of accounting for all revenues and expenditures.

Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of the available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. A general operating fund is used.

3. ACCOUNTS RECEIVABLE

Overpayment to S. Sexsmith	5
GST refund	1,096
	$ 1,101

4. ACCOUNTS PAYABLE

Audit Accrual	321
Collins True Value	80
Enviro-Test	45
Grey Goose	64
Linnett/Watershed	1,000
Revenue Canada Source Deductions	1,428
	$ 2,938

5. CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is recorded using the following method and rates as follows with 1/2 of the normal rate being used in the year of acquisition.

Equipment	20%	declining balance
Computer Hardware	30%	declining balance
Computer Software	20%	straight-line

	Cost	Accumulated Amortization	Net Book Value 2001	Net Book Value 2000
Equipment	$ 10,380	$ 1,791	$ 8,589	$ 3,432
Computer Hardware	4,108	1,581	2,527	3,216
Computer Software	16,170	5,983	10,187	14,553
	$ 30,658	$ 9,355	$ 21,303	$ 21,201

6. STATEMENT OF CASH FLOW

As the organization is reporting on a fund accounting basis, a statement of cash flow has not been included with these financial statements as its inclusion would not provide additional meaningful information.

M. FAYE KOBELKA
CERTIFIED GENERAL ACCOUNTANT
BOX 1228
THE PAS, MB
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TEL: 204-623-4664 FAX: 204-623-4686

AUDITOR'S COMMENTS ON SUPPLEMENTARY INFORMATION

To the Executive of:
KELSEY CONSERVATION DISTRICT

The audited financial statements of Kelsey Conservation District as at March 31, 2001 and my report June 25, 2001 are presented in the preceding section of this report. The supplementary information presented hereafter was derived from the accounting records tested by me as part of the auditing procedures followed in my examination of the financial statements and, in my opinion, they are presented in all material respects in relation to the financial statements taken as a whole.

M Faye Kobelka

M. Faye Kobelka
Certified General Accountant

June 25, 2001

KELSEY CONSERVATION DISTRICT

APPENDIX A - SCHEDULE OF COST SHARING (AUDITED)

March 31, 2001

	Total Expenditures	External	Provincial	Local
Administration	$ 91,750	$ -	67,931	$ 23,819
Assets	6,715	-	4,972	1,743
Public Education	2,833	-	2,098	735
Total Expenditure	$ 101,298	$ -	$ 75,000	$ 26,298
Provincial Grants Received			75,000	
Less: Share of Expenditure			75,000	
			$ -	

Appendix E

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2001

MNP
MEYERS NORRIS PENNY

The Board of Directors
Little Saskatchewan River Conservation District

AUDITORS' REPORT

We have audited the statement of financial position of Little Saskatchewan River Conservation District as at March 31, 2001 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Brandon, Manitoba
May 9, 2001

A MEMBER OF
SUMMIT INTERNATIONAL
ASSOCIATES INC

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

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MARCH 31, 2001

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SCHEDULE 3 - SCHEDULE OF PROVINCIAL GRANT RECEIVABLE

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2001

	2000	2001
ASSETS		
CURRENT		
Cash	5	3,126
Accounts receivable	13,499	5,766
GST receivable	1,352	1,329
	14,856	10,221
CAPITAL ASSETS (Note 2)	39,364	53,889
	54,220	64,110
LIABILITIES		
CURRENT		
Bank indebtedness	10,330	-
Accounts payable	8,671	5,210
Deferred revenue	5,000	1,850
Current portion of long-term debt	-	3,840
	24,001	10,900
LONG-TERM DEBT (Note 3)	-	8,730
	24,001	19,630
NET ASSETS		
INVESTED IN CAPITAL ASSETS	39,364	41,319
UNRESTRICTED NET ASSETS (DEFICIT)	(9,145)	3,161
	30,219	44,480
	54,220	64,110

ON BEHALF OF THE BOARD:

.... DIRECTOR

.... DIRECTOR

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUES		
Grants		
Province of Manitoba	103,257	98,755
Ducks Unlimited	9,500	23,515
Delta Waterfowl	3,930	4,500
Government of Canada	-	1,584
Manitoba Hydro	-	5,000
Municipal levies (Note 4)	23,858	31,812
Interest	1,416	841
Land owner contributions	573	2,815
Workshops	-	8,630
Miscellaneous	-	4,080
	142,534	181,532
EXPENSES		
GENERAL ADMINISTRATION		
Bank charges and interest	87	82
Freight	343	396
MCDA dues	929	2,485
Meals	749	1,394
MHHC	1,000	-
Newsletters	1,168	887
Insurance and licences	-	1,622
Interest on long-term debt	-	890
Office	4,359	3,121
Professional fees	1,821	1,267
Telephone	1,615	3,171
Training	1,461	270
Travel	3,871	1,294
Vehicle	-	3,157
Wages and benefits	38,020	64,931
	55,423	84,967
PROGRAM DELIVERY COSTS		
Advertising	3,068	4,829
Amortization	9,668	12,633
Board remuneration	11,226	8,682
Public education	5,340	10,268
Repairs and maintenance	2,840	2,369
Shelterbelts and salinity program	-	5,813
Small dams	-	414
Well capping	-	844
Sub-district programs (Schedule 1)	24,750	36,452
	56,892	82,304
	112,315	167,271
EXCESS OF REVENUES OVER EXPENSES	30,219	14,261

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

STATEMENT 3

STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2001

	Total 2000	Invested in Capital Assets	Unrestricted	Total 2001
Balance, beginning of period	-	39,364	(9,145)	30,219
Excess of revenues over expenes	30,219	(12,633)	26,894	14,261
Investment in capital assets	-	14,588	(14,588)	-
Net change	30,219	1,955	12,306	14,261
Balance, end of period	30,219	41,319	3,161	44,480

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

---

1. OPERATIONS AND ACCOUNTING POLICIES

Little Saskatchewan River Conservation District was established by an Order-in-Council of the Province of Manitoba on January 1, 1999. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Truck	straight line	15%
Computer equipment	straight line	25%
Office equipment	straight line	10%
Equipment	straight line	10%

2. CAPITAL ASSETS

	2000	2001		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Truck	22,015	25,900	7,770	18,130
Computer equipment	17,349	24,790	11,981	12,809
Office equipment	-	2,950	295	2,655
Equipment	-	22,550	2,255	20,295
	39,364	76,190	22,301	53,889

3. LONG-TERM DEBT

	2001
Term loan bearing interest at 8.5%, payable in three annual installments of $4,921.	12,570
Less: current portion	(3,840)
	8,730

Principal repayments are estimated as follows:

2002	3,840
2003	4,180
2004	4,550

4. MUNICIPAL LEVIES

	2000	2001
Rural Municipality of Blanshard	4,983	6,644
Rural Municipality of Clanwilliam	2,117	2,822
Rural Municipality of Daly	4,888	6,518
Rural Municipality of Minto	2,550	3,400
Rural Municipality of Odanah	969	1,292
Rural Municipality of Saskatchewan	4,599	6,133
Town of Minnedosa	3,062	4,083
Town of Rivers	690	920
	23,858	31,812

5. STATEMENT OF CASH FLOWS

The Statement of Cash Flows has not been presented as it offers no additional information.

6. COMPARATIVE FIGURES

The comparative figures are for a fifteen-month period ending March 31, 2000.

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 1

SCHEDULE OF EXPENDITURE - SUB-DISTRICT PROGRAMS
YEAR ENDED MARCH 31, 2001

	2000	2001
UPPER OAK RIVER SUB-DISTRICT # 72		
Forage	3,670	1,800
Small dams	8,360	7,760
Soil	-	1,000
Well capping	85	350
Wildlife	-	72
Zero-till	2,100	2,100
	14,215	13,082
CENTRAL LITTLE SASKATCHEWAN RIVER SUB-DISTRICT # 81		
Forage	2,460	2,750
Small dams	822	5,859
Well capping	-	521
Zero-till	1,500	1,500
	4,782	10,630
LOWER LITTLE SASKATCHEWAN RIVER SUB-DISTRICT # 82		
Forage	1,250	3,854
Small dams	1,563	132
Soil	-	2,730
Well capping	840	773
Wildlife	-	2,751
Zero-till	2,100	2,500
	5,753	12,740
	24,750	36,452

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 2

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2001

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	113,480	5,679	71,376	36,425
WATER PROGRAMS	19,476	7,300	9,132	3,044
SOILS	24,047	18,515	4,149	1,383
PUBLIC EDUCATION	10,268	8,630	1,229	409
TOTAL	167,271	40,124	85,886	41,261
ASSETS				
Equipment	2,415	-	1,811	604
Computer/software	1,658	-	1,244	414
Zero-till Drill	22,550	10,000	9,413	3,137
Office equipment	535	-	401	134
	27,158	10,000	12,869	4,289
	194,429	50,124	98,755	45,550

LITTLE SASKATCHEWAN RIVER CONSERVATION DISTRICT

SCHEDULE 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2001

PROVINCIAL GRANT, 2000-2001	110,000
LESS: PROVINCIAL GRANT RECEIVABLE, 1999-2000	13,257
	96,743
LESS: 2000-2001 Allocated Grant (Schedule 2)	98,755
PROVINCIAL GRANT RECEIVABLE, 2000-2001	2,012

PEMBINA VALLEY CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2001

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6	Statement of Revenue and Expenditures
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13	Schedule of Cost Sharing

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Winkler, Manitoba
R6W 4A7

AUDITOR'S REPORT

TO THE MEMBERS:
PEMBINA VALLEY CONSERVATION DISTRICT

I have audited the balance sheets of Pembina Valley Conservation District as at March 31, 2001 and the statements of changes in surplus, revenue and expenditures, and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Province of Manitoba has not approved the funding of the current and prior years' over-expenditures. As a result I am unable to confirm or verify by alternative means the unfunded deficit included in the financial statements totalling $99,032. Accordingly, I was not able to determine whether any adjustment might be necessary to unfunded deficit, revenue, expenditures and excess of revenue over expenditures.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to the balance of the unfunded deficit described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the District as at March 31, 2001 and the results of its operations and the changes in its surplus and cash flows for the year then ended in accordance with generally accepted accounting principles.

Jim Smith

CHARTERED ACCOUNTANT INC.

Winkler, Manitoba
June 6, 2001

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET

MARCH 31, 2001

ASSETS

	2001	2000
CURRENT		
Cash	$ 81,545	$ 12,438
Accounts receivable	30,591	92,642
Prepaid expenses	4,232	6,425
Inventory	23,186	30,070
	139,554	141,575
UNFUNDED DEFICIT (note 2)	99,032	89,522
CAPITAL (note 3)	150,501	150,501
	$ 389,087	$ 381,598

APPROVED BY

___________________________________ Director

___________________________________ Director

PEMBINA VALLEY CONSERVATION DISTRICT

BALANCE SHEET

MARCH 31, 2001

LIABILITIES

	2001	2000
CURRENT		
Accounts payable and accrued	$ 17,471	$ 30,325
Unearned revenue (note 4)	26,752	28,220
Due to donation fund	104	104
	44,327	58,649

SURPLUS

	2001	2000
SURPLUS (page 5)	344,760	322,949
	$ 389,087	$ 381,598

Credit facilities (note 8)

Commitment (note 9)

Change in accounting policy (note 11)

PEMBINA VALLEY CONSERVATION DISTRICT

DONATION FUND BALANCE SHEET

MARCH 31, 2001

ASSETS

		2001		2000
CURRENT				
Cash	$	6,686	$	6,909
Due from operating fund		104		104
	$	6,790	$	7,013

SURPLUS

SURPLUS (note 6)	$	6,790	$	7,013

APPROVED BY

______________________ Director

______________________ Director

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CHANGES IN SURPLUS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Surplus, beginning of year	$ 322,949	$ 323,198
Excess (deficiency) of revenue over expenditures	21,811	(2,166)
Transfer capital expenditures to capital assets	-	1,917
SURPLUS, END OF YEAR (note 5)	$ 344,760	$ 322,949

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Provincial grants		
Rural Development - funded	$ 250,000	$ 220,000
- unfunded	9,510	31,188
Municipal levies		
Rural Municipality of Lorne	26,844	26,851
Rural Municipality of Louise	19,369	19,369
Rural Municipality of Pembina	22,283	22,272
Rural Municipality of Roblin	8,259	8,260
Rural Municipality of Thompson	11,764	11,731
Town levies		
Village of Crystal City	384	385
Village of Manitou	684	683
Village of Pilot Mound	462	463
Other funding - external	57,002	68,528
- local	5,959	6,024
Conservation Fund	-	4,000
National Soil and Water	-	79,123
Manitoba Habitat Heritage	14,135	3,080
Manitoba Environment	5,000	25,000
Manitoba Agriculture	2,000	13,000
Rural water development program - PFRA	20,301	-
Riparian restoration workshop	25,682	18,085
Other income	16,635	17,251
Interest income	4,220	3,113
Other (note 10)	31,522	23,900
	532,015	602,306
EXPENDITURES (page 12)	510,204	604,472
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ 21,811	$ (2,166)

PEMBINA VALLEY CONSERVATION DISTRICT

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures	$ 21,811	$ (2,168)
Adjustment for:		
Amortization	-	29,093
	21,811	26,925
Changes in non-cash working capital (note 7)	56,806	(40,176)
Cash flows from (used in) operating activities	78,617	(13,251)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	-	(1,917)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in unfunded deficit	(9,510)	(31,188)
Transfer capital purchases to capital assets	-	1,917
Cash flows from (used in) financing activities	(9,510)	(29,271)
NET INCREASE (DECREASE) IN CASH	69,107	(44,439)
Cash at beginning of year	12,438	56,877
CASH AT END OF YEAR	$ 81,545	$ 12,438

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the organization.

a) **Capital assets**

Effective with fiscal year ending March 31, 2001, it is the District's policy to expense capital assets in the year of purchase.

b) **Income taxes**

Pembina Valley Conservation District is a non-profit organization and is exempt from income taxes under section 149 of the Income Tax Act.

c) **Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on a specific item basis.

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2. UNFUNDED DEFICIT

Grants are received from the Province of Manitoba. A deficit results when District expenditures, which are cost-shared with the Province, exceed amounts for which funding has been received.
Relevant details are as follows:

	2001	2000
Balance, beginning of year	$ 89,522	$ 58,334
Add: Provincial share of expenditures	259,510	251,188
Less: Provincial grant received	(250,000)	(220,000)
Balance, end of year	$ 99,032	$ 89,522

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

3. CAPITAL ASSETS

	2001		2000	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 53,532**	**$ -**	$ 53,532	$ -
Building	**45,853**	**5,964**	45,853	5,964
Field equipment	**84,663**	**61,281**	84,663	61,281
Office furniture and equipment	**36,031**	**22,322**	36,031	22,322
Surveying equipment	**3,658**	**2,712**	3,658	2,712
Vehicles	**36,052**	**17,009**	36,052	17,009
	259,789	**109,288**	259,789	109,288
Cost less accumulated amortization		**$ 150,501**		$ 150,501

4. UNEARNED REVENUE

	2001	2000
Fisheries Enhancement funds	**$ 2,885**	$ 7,500
Environmental Youth Club	**-**	2,572
Rural Municipality of Lorne levy	**11,708**	6,711
Rural Municipality of Louise levy	**-**	4,842
Rural Municipality of Pembina	**5,571**	-
Rural Municipality of Roblin levy	**2,065**	2,065
Town of Manitou levy	**680**	684
Village of Crystal City levy	**384**	384
Village of Pilot Mound levy	**459**	462
Special Conservation funds	**3,000**	3,000
	$ 26,752	$ 28,220

5. SURPLUS

The surplus has two components: a current surplus and a capital asset surplus. The current surplus is equal to current assets plus the unfunded deficit minus current liabilities. This money, which totalled $194,259 at March 31, is available to fund ongoing operations. The capital asset surplus is equal to the net book value of capital assets which totalled $150,501 at March 31. This surplus is not readily available to fund current operations.

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

6. DONATION FUND SURPLUS

Changes to the donation fund surplus during the year were as follows:

	2001	2000
Interest earned	$ 364	$ 215
Expenditures - trophies and scholarship	(587)	(586)
Decrease for the year	$ (223)	$ (371)

7. CHANGES IN NON-CASH WORKING CAPITAL

	2001	2000
Increase (decrease) in cash from changes in:		
Accounts receivable	$ 62,051	$ (47,630)
Prepaid expenses	2,193	(3,962)
Inventory	6,884	(4,381)
Accounts payable and accrued	(12,854)	26,754
Unearned revenue	(1,468)	(10,957)
	$ 56,806	$ (40,176)

8. CREDIT FACILITIES

The District has arranged for a line of credit authorized to a maximum of $30,000. Security consists of a promissory note and an assignment of book debts. Interest is charged at prime plus 1%.

9. COMMITMENT

Under the terms of an equipment lease the District is committed to payments of $2,974. The lease expires in May, 2002.

PEMBINA VALLEY CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

10. OTHER REVENUE

	2001	2000
Agri-Food Research and Development Initiative	$ 15,250	$ 5,500
Manitoba Agriculture - Covering new ground	13,700	13,400
Manitoba Conservation - Enviro Youth Corporation	2,572	5,000
	$ 31,522	$ 23,900

11. CHANGE IN ACCOUNTING POLICY

During the year, the District changed its accounting policy from capitalizing and amortizing assets to expensing assets in the year of purchase. The District will no longer amortize assets. The effect of this change has not been accounted for retroactively in the financial statements. Had this change in accounting policy not been adopted, excess of revenue over expenditures would have decreased by approximately $30,157 for the year.

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF EXPENDITURES

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
OPERATING		
Audit and legal	$ 1,004	$ 927
Amortization	-	29,093
Ducks Unlimited program	11,036	13,207
Insurance	1,055	1,795
Interest and bank charges	50	62
Inventory adjustment	1,092	(1,852)
National Soil and Water Conservation Program (N.S.W.C.P.)	-	45,612
Office	9,466	11,437
PFRA programs	22,224	-
Public education	65,117	49,348
Repairs, maintenance and fuel	11,989	17,053
Shock chlorination	2,650	-
Soils miscellaneous	45,641	63,617
Soil projects	33,161	38,115
Telephone	2,724	4,327
Wages and benefits	92,520	127,809
Water management/planning	-	10,458
Water projects	163,244	170,120
Wildlife projects	36,452	21,427
	499,425	602,555
CAPITAL		
Equipment	7,904	-
Vehicle	2,875	1,917
	10,779	1,917
	$ 510,204	$ 604,472

PEMBINA VALLEY CONSERVATION DISTRICT

SCHEDULE OF COST SHARING

FOR THE YEAR ENDED MARCH 31, 2001

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	$ 119,900	$ 19,880	$ 74,616	$ 25,404
PUBLIC EDUCATION	65,117	34,465	22,549	8,103
SOILS MISCELLANEOUS	45,641	34,300	8,506	2,835
SUB-DISTRICT PROJECTS				
Soil	33,161	-	24,871	8,290
Water	163,244	15,137	111,080	37,027
Wildlife	36,452	25,050	8,551	2,851
	232,857	40,187	144,502	48,168
BOARD PROGRAMS				
Ducks Unlimited	11,036	12,286	(938)	(312)
PFRA	22,224	13,512	6,534	2,178
Shock chlorination	2,650	-	1,988	662
	35,910	25,798	7,584	2,528
TOTAL	499,425	154,630	257,757	87,038
ASSETS				
Inventory	(6,884)	1,557	(6,331)	(2,110)
Equipment & vehicle	10,779	-	8,084	2,695
	3,895	1,557	1,753	585
TOTAL EXPENDITURES	$ 503,320	$ 156,187	$ 259,510	$ 87,623
PROVINCIAL GRANT RECEIVABLE/PAYABLE SUMMARY				
2000/2001 Grant received				$ 250,000
Less: share of expenditures				259,510
INCREASE IN UNFUNDED DEFICIT				$ (9,510)

Appendix G

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

FINANCIAL STATEMENTS

MARCH 31, 2001

MNP
MEYERS NORRIS PENNY LLP

The Board
Turtle Mountain Conservation District No. 4

AUDITORS' REPORT

We have examined the statement of financial position of the Turtle Mountain Conservation District No. 4 as at March 31, 2001 and the statement of operations for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

As explained in Note 2, the statement of operations has not combined the transactions of the Sub-District Programs, Equipment Programs or Reserve Funds with those of the General Board Program. Had a statement of operations included the combined results of all of the funds, the excess of revenues over expenses would have shown $34,426 (2000, $47,841).

In our opinion, except that the statement of operations does not combine the results of all funds as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2001 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

June 8, 2001

A MEMBER OF
SUMMIT INTERNATIONAL ASSOCIATES, INC

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST. W., BOX 670, VIRDEN, MB R0M 2C0
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TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

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MARCH 31, 2001

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STATEMENT 3 - STATEMENT OF OPERATIONS AND SURPLUS - SUB-DISTRICT PROGRAM

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TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT		
Cash and short term investments	403,749	338,957
Accounts receivable (Note 3)	9,239	57,231
Inventory	10,672	2,626
	423,660	398,814
CAPITAL ASSETS (Note 4)	93,913	103,798
	517,573	502,612
LIABILITIES		
CURRENT		
Accounts payable	6,804	10,646
Unearned revenue	58,703	74,326
	65,507	84,972
SURPLUS (DEFICIENCY)		
GENERAL BOARD PROGRAM	224,992	202,332
SUB-DISTRICT PROGRAM	117,116	104,593
EQUIPMENT PROGRAM #1	(1,594)	(541)
EQUIPMENT PROGRAM #2	79,552	77,010
EQUIPMENT RESERVE	32,000	32,000
FORAGE SEED RESERVE		2,246
	452,066	417,640
	517,573	502,612

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

GENERAL BOARD PROGRAM
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Province of Manitoba	208,577	190,090
Municipal levies	52,442	52,443
Ducks Unlimited	25,767	39,587
Interest	16,462	13,454
Land rental	2,325	2,335
Miscellaneous	1,481	2,962
Recreation Committee	736	630
Soils Committee	41,682	27,756
Agricultural Sustainability Initiative	13,612	13,958
Transfer from Equipment Program #2	3,521	16,500
Transfer from forage seed reserve	2,246	
Manitoba Habitat Heritage	3,750	
Critical Wildlife Program	1,000	
Special Conservation fund	8,970	
Direct charges		4,386
Canada Agri Infrastructure Program		720
National Soil and Water Conservation Program		15,000
Outside funding		10,457
Transfer from sub-district program		8,460
	382,571	398,738

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 2

GENERAL BOARD PROGRAM
STATEMENT OF OPERATIONS
MARCH 31, 2001

	2001	2000
EXPENSES		
Administrative - general	64,615	63,008
- local	180	180
Board and committee remuneration	13,325	17,871
Amortization - office equipment	3,745	3,145
- field equipment	19,088	21,886
- program support equipment	840	381
Direct expenses		128
District supervisor - salary	45,210	43,342
- expenses	952	1,687
Professional education and development	229	862
Program support assistant	3,027	5,991
Public relations	25	50
Special Programs		
Forage Seed Assistance	81,238	67,918
Public Education	28,203	21,119
Road Allowance Program	96	1,430
Shelterbelt Program	48,143	44,608
Wildlife Habitat Improvement Program	3,001	12,956
Demonstration Projects	6,890	5,061
Salinity Barrier Program	3,122	4,420
Flushing Bar Program	1,200	1,316
Waterfowl Habitat Lease Program	3,000	1,750
No-Till Program	8,200	7,700
Riparian Habitat	3,000	
Canada Creek Bank stabilization	8,970	
Extending the Grazing Season Program	5,150	
Alternative Forage Species	4,462	
Manure, Water Quality Program	4,000	
Holistic Resource Management Course		1,511
Planned Grazing Projects		5,000
Solid Seeding Sunflower Program		2,235
Saline Tolerant Grass Demonstrations		1,723
Land conversion		2,000
Salinity Barriers Demonstration		3,000
Access ramps		15,000
	359,911	357,278
EXCESS OF REVENUE OVER EXPENSES	22,660	41,460
SURPLUS - Beginning of year	202,332	160,872
SURPLUS - End of year	224,992	202,332

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 3

SUB-DISTRICT PROGRAM
STATEMENT OF OPERATIONS AND SURPLUS
YEAR ENDED MARCH 31, 2001

	WAKOPA	UPPER PEMBINA	WEST ARTHUR	WASKADA CREEK	MEDORA CREEK	CHAIN LAKES	ELGIN CREEK WH. LAKE	TOTAL 2001	TOTAL 2000
REVENUE									
Municipal levies	8,423	7,823	2,953	8,592	6,799	2,303	6,642	43,535	43,535
Province of Manitoba	18,429	15,472	6,832	24,213	17,319	2,896	7,369	92,530	112,661
Program Revenue	257	1,622	588	1,329	1,080	50	2,318	7,244	1,298
Ducks Unlimited			5,000					5,000	5,000
Disaster Financial Ass. – EMO	830	894	1,080	1,461	437	398	4,086	9,186	
Land Rental Revenue	300	180				550		1,030	700
Special Cons. Fund	1,284	1,284	1,284	1,284	1,284	1,284	1,284	8,988	10,888
Sustainable Dev. Innov. Fund	11,213							11,213	8,029
Natural resources									9,411
	40,736	27,275	17,737	36,879	26,919	7,481	21,699	178,726	191,522
EXPENSES									
Runway Stabilization		1,571	368	14,919	12,736		603	30,197	44,549
Water storage		5,420	9,515	6,631	1,494		72	23,132	43,455
Engineering	3,476	5,834	4,514	8,750	7,313	2,733	5,747	38,367	29,813
Habitat/Riparian		751				1,053		1,804	3,460
Killarney Lake Curtain Project	11,213							11,213	8,259
Other	8,651	1,570	131	112	65	1,663	305	12,497	28,968
Well sealing	2,336	3,041	1,279	5,176	2,682	396	3,716	18,626	1,811
Road allowance	2,474	3,188			727	180	2,700	9,269	16,259
Winter Wheat Program	10,310							10,310	
Access Ramps		2,298	1,255	770	476		3,909	8,708	
Planned grazing		938			500	142	500	2,080	
Transferred to Board Program									8,460
	38,460	24,611	17,062	36,358	25,993	6,167	17,552	166,203	185,034
EXCESS OF REVENUE OVER EXPENSES	2,276	2,664	675	521	926	1,314	4,147	12,523	6,488
SURPLUS - Beginning of year	12,452	27,602	2,406	2,710	30,247	9,228	19,948	104,593	98,105
SURPLUS - End of year	14,728	30,266	3,081	3,231	31,173	10,542	24,095	117,116	104,593

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 4

EQUIPMENT PROGRAM #1
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Equipment revenue	11,561	5,640
EXPENSES		
Repairs and maintenance	5,855	1,865
Amortization	5,850	3,694
License and insurance	909	
	12,614	5,559
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(1,053)	81
DEFICIENCY - Beginning of year	(541)	(622)
DEFICIENCY - End of year	(1,594)	(541)

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 5

EQUIPMENT PROGRAM #2
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Equipment revenue	40,206	44,299
EXPENSES		
Insurance and licences	2,087	2,843
Repairs and maintenance	32,056	25,144
Transfer to General Board Program	3,521	16,500
	37,664	44,487
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	2,542	(188)
SURPLUS - Beginning of year	77,010	77,198
SURPLUS - End of year	79,552	77,010

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 6

EQUIPMENT RESERVE
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Equipment revenue	-	-
EXPENSES	-	-
EXCESS OF REVENUE OVER EXPENSES	-	-
SURPLUS - Beginning of year	32,000	32,000
SURPLUS - End of year	32,000	32,000

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT 7

FORAGE SEED RESERVE
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2001	2000
EXPENSE		
Transfer to General Board Program	2,246	-
DEFICIENCY OF REVENUE OVER EXPENSE	2,246	-
SURPLUS - Beginning of year	2,246	2,246
SURPLUS - End of year	-	2,246

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

NOTE 1 – OPERATIONS

The Turtle Mountain Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing resource programs and planning for sustainable soil and water management. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles except that a summary statement combining the operations of all funds has not been provided, and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not all been adopted. Significant accounting policies include the following:

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Donated capital assets are recorded at estimated fair market value. Amortization is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

		Method	Rate
Office equipment		straight-line	15%
Field equipment	- machinery	straight-line	10%
	- vehicles	straight-line	15%
Program support equipment		straight-line	10%

EQUIPMENT GRANTS

Claims for assistance under various equipment grant programs are reflected as revenue in the period in which eligible expenses are incurred.

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

NOTE 3 – ACCOUNTS RECEIVABLE

	2001	2000
Trade	3,875	2,092
GST	801	1,709
Province of Manitoba (Schedule 2)	613	13,506
Other Programs	3,950	39,924
	9,239	57,231

NOTE 4 – CAPITAL ASSETS

	2001			2000
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	45,131	19,613	25,518	13,145
Field equipment - machinery	197,987	153,067	44,920	64,964
- vehicles	57,001	38,778	18,223	23,119
Program support equipment	8,529	3,277	5,252	2,570
	308,648	214,735	93,913	103,798

NOTE 5 – FINANCIAL INSTRUMENT

The company, as part of its operations, carries a number of financial instruments. It is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 6 – STATEMENT OF CASH FLOW

The Statement of Cash Flow has not been provided as it would not provide additional useful information.

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2001

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	127,358	4,081	92,458	30,819
Other	205	-	-	205
	127,563	4,081	92,458	31,024
ASSETS				
Office equipment	371	-	278	93
Equipment	15,747	-	15,747	
Automotive	3,521	-	-	3,521
Inventory	8,214	-	6,161	2,053
Amortization	542	-	406	136
Amortization	23,131	-	-	23,131
	51,526		22,592	28,934
PUBLIC EDUCATION				
Education	24,743	1,184	17,669	5,890
School Program	3,460	3,460		
	28,203	4,644	17,669	5,890
SOILS				
Forage seed	72,599		31,944	40,655
Forage seed #2	8,639		6,393	2,246
Shelterbelt Program	48,143	5,776	31,775	10,592
Land management	6,890		5,168	1.722
Road allowance program	96		72	24
Salinity Barrier Program	3,122	3,122		
No Till Program	8,200	8,200		
Alternative Forage Species	4,462	4,462		
Manure, Water Quality Program	4,000	4,000		
Extending the Grazing Season Program	5,150	5,150	-	-
	161,301	30,710	75,352	55,239
WILDLIFE				
Wildlife Habitat Improvement Program	3,001	2,325	507	169
Flushing Bar Program	1,200	1,200		
Waterfowl Habitat Lease Program	3,000	3,000		
Riparian Habitat	3,000	3,000		
Canada Creek Bank Stabilization	8,970	8,970	-	-
	19,171	18,495	507	169

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 1

SCHEDULE OF COST SHARING
YEAR ENDED MARCH 31, 2001

	Total Expenditures	External	Provincial	Local
SUB-DISTRICT PROGRAMS				
Maintenance	30,197	18,711	8,615	2,871
Reconstruction/New Programs	23,131	5,459	13,254	4,418
Engineering	38,367		28,775	9,592
Habitat/Riparian	1,804	1,030	580	194
Well sealing	18,626	2,056	12,428	4,142
Road allowance	9,269		6,952	2,317
Killarney Curtain	11,213	11,213		
Winter wheat	10,310		7,732	2,578
Access ramps	8,707	4,192	3,386	1,129
Planned grazing	2,080		1,560	520
Other	12,497	168	9,247	3,082
	166,201	42,829	92,529	30,843
	553,965	100,759	301,107	152,099

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

SCHEDULE 2

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
YEAR ENDED MARCH 31, 2001

PROVINCIAL GRANT, 2000-2001	314,000
LESS, 1999-2000 Provincial Grant Receivable	13,506
	300,494
LESS, 2000-2001 Allocated Grant (Schedule 1)	301,107
PROVINCIAL GRANT RECEIVABLE, 2000-2001	613

ZAPLITNY & ZAMRYKUT
Chartered Accountants

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TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

FINANCIAL STATEMENTS

As at March 31st, 2001

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

We have audited the balance sheet of Turtle River Watershed Conservation District #2 as at March 31st, 2001 and the other statements, being Exhibits "B" to "G" inclusive which covers the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Watershed as at March 31st, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Zaplitny + Zamrykut

ZAPLITNY & ZAMRYKUT,
Chartered Accountants

DAUPHIN, Manitoba
May 28th, 2001

EXHIBIT "A"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

BALANCE SHEET
As at March 31st, 2001 and 2000

		2001	2000
ASSETS			
Current Assets -			
Cash on Hand and in Bank	$	32,365	26,054
Short Term Investments		3,449	3,449
Receivable - Province of Manitoba - Note 2		3,600	
Accounts Receivable - Special Crossing Replacement - Note 3			19,462
Accounts Receivable - Note 4		29,895	37,255
Prepaid Expenses		676	446
Inventory		105,719	111,405
Total Current Assets		175,704	198,071
Fixed Assets, Net Book Value - Note 5		80,984	30,701
Total	$	256,688	228,772
LIABILITIES			
Current Liabilities -			
Accounts Payable - Note 6	$	23,514	26,477
Labour Crew Surcharge		9,064	10,142
Prepaid Levy and Grant		1,322	1,318
Total Current Liabilities		33,900	37,937
Watershed Fund Accounts -			
General Board Fund - Exhibit "B"		169,283	124,562
Flood Protection Reserve - Exhibit "C"		12,122	2,306
Emergency Reserve - Exhibit "D"		14,771	13,771
Land Development Reserve - Exhibit "E"		324	324
Equipment Fund - Exhibit "F"		26,288	49,872
Total Watershed Fund Accounts		222,788	190,835
Total	$	256,688	228,772

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "B"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT
For the Years Ended March 31st, 2001 and 2000

	2001	2000
Revenue -		
Municipal Levies	$ 79,511	79,479
Province of Manitoba Allocated Grant	401,600	390,047
Municipal Grants	58,223	48,449
Other Grants	5,365	2,184
Custom Work	22,574	28,799
Land Owner Revenue	10,212	11,239
Interest Income	454	423
Other Income	816	1,864
Transfer from Reserve Accounts:		
Equipment Reserve	39,442	
Flood Protection Reserve		8,557
Land Development Reserve		6,080
	618,197	577,121
Expenditures -		
Board Remuneration	22,529	22,881
Administration	20,727	22,942
Wages and Benefits	85,140	86,174
Staff Expenses	10,935	13,544
Office Rent	6,483	5,998
Annual Dinner Expense	551	
MCDA Dues	1,500	1,939
Public Education	7,272	15,052
Custom Work and Spray	22,573	28,799
Forage Assistance	19,161	19,913
Wildlife Incentive	300	
Grassed Waterway	1,138	2,507
Land Management Services	12,929	24,320
Drain Cleanouts	141,417	87,015
Brushing and Spraying	16,791	28,191
General Maintenance	25,499	34,757
Flood Protection		8,557
Crawford Creek Rehabilitation		12,966
Crossing Repairs	2,247	16,771
Crossing Replacements	81,641	74,280
Program Evaluation	4,662	4,349
Consultant Fees	23,962	22,474
Labour Crew Costs	21,957	18,902
Shed Expenses	1,835	2,200
Bank Stabilization	2,345	
Depreciation Expense	20,837	9,216
Plastic Mulch Program	6,425	1,320
Total Forward	$ 560,856	565,067

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "B"
CONT'D

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT
For the Years Ended March 31st, 2001 and 2000

	2001	2000
Total Expenditures Before Transfers to Reserves	$ 560,856	565,067
Excess Revenues over Expenditures (Expenditures over Revenues)	57,341	12,054
Deduct: Transfers to Reserve Accounts -		
Equipment Reserve		8,000
Land Development Reserve		6,404
Emergency Reserve	1,000	1,000
Flood Protection Reserve	9,816	
Total Transfers	10,816	15,404
Excess Revenues over Expenditures (Expenditures over Revenues)	46,525	(3,350)
Add: Opening Balance	124,562	123,805
Inventory Adjustment	(1,804)	4,107
Closing Balance	$ 169,283	124,562

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "C"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF FLOOD PROTECTION RESERVE
For the Years Ended March 31st, 2001 and 2000

		2001	2000
Amount at Opening	$	2,306	10,863
Add -			
Transfer from General Board Fund		9,816	NIL
		12,122	10,863
Deduct -			
Transfer to General Board Fund			8,557
Amount at Closing	$	12,122	2,306

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "D"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF EMERGENCY RESERVE
For the Years Ended March 31st, 2001 and 2000

		2001	2000
Amount at Opening	$	13,771	12,771
Add -			
Transfer from General Board Fund		1,000	1,000
Amount at Closing	$	14,771	13,771

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "E"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF LAND DEVELOPMENT RESERVE
For the Years Ended March 31st, 2001 and 2000

		2001	2000
Amount at Opening	$	324	NIL
Add -			
Transfer from General Board Fund			6,404
		324	6,404
Less -			
Transfer to General Board Fund			6,080
Amount at Closing	$	324	324

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "F"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

STATEMENT OF EQUIPMENT ACCOUNT
For the Years Ended March 31st, 2001 and 2000

	2001	2000
Revenues -		
Truck	$ 20,409	21,993
Tractor	6,115	5,467
Labour Crew Tools and Equipment	3,162	4,303
Sprayer		1,306
Total	29,686	33,069
Expenditures -		
Truck	12,382	19,597
Tractor	866	3,221
Labour Crew Tools & Equipment	50	1,157
Sprayer		1,669
Trailer	530	439
Total	13,828	26,083
Excess Revenues over Expenditures	15,858	6,986
Balance, Beginning of Year	49,872	34,886
	65,730	41,872
Add Transfer from Board Fund - Tractor		8,000
Less Transfer to Board Fund - Tractor	8,000	
- Truck	31,442	
Balance, End of Year	$ 26,288	49,872

(The accompanying notes are an integral part of these financial statements)

EXHIBIT "G"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the Year Ended March 31st, 2001

	Total	% Shareable Prov/District/ External	Provincial Share	District Share	External Share
Projects and Programs:					
Program Management -					
Office Rent	$ 6,483	75/25/0	4,862	1,621	
Office Administration	20,727	75/25/0	15,545	5,182	
Staff Wages	85,140	75/25/0	63,855	21,285	
Staff Expenses	10,935	75/25/0	8,201	2,734	
Board Remuneration	22,529	75/25/0	16,897	5,632	
Program Evaluation	4,662	15/5/80	720	240	3,702
Consultant Fees	23,962	75/25/0	17,972	5,990	
Public Education	7,272	75/25/0	5,454	1,818	
Soil -					
Forage Program	19,161	51/49/0	9,817	9,344	
Grassed Waterways	1,138	75/25/0	854	284	
Plastic Mulch Program	6,425	75/25/0	4,819	1,606	
Wildlife Incentive	300	75/25/0	225	75	
Bank Stabilization	2,345	75/25/0	1,758	587	
Water -					
Drain Cleanouts	141,417	75/25/0	106,063	35,354	
Land Management Services	12,929	75/25/0	9,697	3,232	
General Maintenance	25,499	75/25/0	19,124	6,375	
Brushing and Spraying	16,791	75/25/0	12,593	4,198	
Custom Work & Spraying	22,573	0/100/0		22,573	
Crossings -					
Crossing Repairs	2,247	75/25/0	1,685	562	
Crossing Replacement	81,641	75/25/0	61,231	20,410	
Other -					
Labour Crew Costs	21,957	75/25/0	16,468	5,489	
Shed Expenses	1,835	75/25/0	1,376	459	
MCDA Dues	1,500	75/25/0	1,125	375	
Inventory Sales - Net	(3,883)	75/25/0	(2,912)	(971)	
Computer & Office Equipment Purchase	2,534	75/25/0	1,901	633	
Leasehold Improvements	7,143	75/25/0	5,357	1,786	
Depreciation	20,837	0/100/0		20,837	
Tractor Purchase	22,000	75/25/0	16,500	5,500	
Annual Dinner	551	75/25/0	413	138	
Total	$ 588,650		401,600	183,348	3,702

(The accompanying notes are an integral part of these financial statements)

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2001

1. Significant Accounting Policies -

Fixed Assets are recorded at cost and depreciation is provided for in the Accounts calculated on the Straight-Line basis in accordance with their useful life on the following basis:

Office Equipment	15%
Computer Equipment	20%
Storage Yard Fence	5%
Tools & Equipment	20%
Building	4%
Truck	25%
Tractor	20%
Leasehold Improvements	Amortized over remaining term of lease of 36 months

2. Accounts Receivable - Province of Manitoba -

		2001	2000
Amount at Beginning of Year	$	NIL	7,953
Add - Allocated to Watershed Programs - General Board		401,600	390,047
		401,600	398,000
Less - Grant Received		398,000	398,000
Balance, End of Year	$	3,600	NIL

3. Accounts Receivable - Special Crossing Replacement -

During the fiscal year end March 31st, 1999, Turtle River Watershed received $250,000 from the Province of Manitoba to update critical crossings. Funds must be cost shared at a rate of 25% coming from the local municipalities.

Balance, Beginning of Year	$	19,462	65,335
Amount received from municipalities - During the Year		19,462	45,873
Remaining Commitment by municipalities	$	NIL	19,462

4. Accounts Receivable -

Forage Customers	$	9,344	8,795
GST Recoverable		4,929	6,784
Rural Municipalities and Villages		13,748	20,175
Canada Savings Bonds		1,303	1,137
Other		571	364
	$	29,895	37,255

TURTLE RIVER WATERSHED CONSERVATION DISTRICT #2

NOTES TO FINANCIAL STATEMENTS
March 31st, 2001

5. Fixed Assets -

	Cost	Accumulated Depreciation	2001 Book Value	2000 Book Value
Office Equipment & Computers	$ 38,075	27,359	10,716	14,770
Fence	4,863	4,052	811	1,054
Trucks	87,146	61,599	25,547	NIL
Tools	23,073	23,073	NIL	210
Building	24,973	12,986	11,987	12,986
Plastic Mulcher	1,469	1,126	343	637
Tractor, Drill, Sprayer	54,981	30,481	24,500	NIL
Trailers	5,312	4,581	731	1,044
Leasehold Improvements	7,143	794	6,349	
	$ 247,035	166,051	80,984	30,701

6. Accounts Payable -

	2001	2000
Forage Seed	$ 17,090	22,950
Trade Payables	1,193	393
O/S Land Issues	3,015	3,015
Other	2,216	119
	$ 23,514	26,477

7. Land Acquisitions -

In accordance with district policy, land acquisitions are expensed in the year purchased. For information purposes, inventories of land parcels owned by the district are as follows:

Description	Purchase Date	Purchase Price
N1/2 of 31-23-17WPM	Dec 19/86	$ 21,500
SE1/4 of 27-20-14WPM	Mar 14/88	7,500
SW1/4 of 19-22-17WPM	June 28/89	20,000
NE1/4 22-20-14WPM	April 8/91	8,800
SW1/4 24-23-18WPM	Aug 10/90	22,500
S1/2 of 22-22-14WPM	May 2/89	13,000
NE1/4 of 1-22-14WPM	Mar 8/91	10,000
SW1/4 of 8-24-17WPM	Apr 27/92	14,500
PT of SE of 20-24-17WPM	Sept 8/94	4,132
NW of 30-23-17WPM	1996	17,500
SE1/4 of 25-23-18WPM	May 1/96	17,500
NE1/4 25-23-18WPM	1997	25,000
NW1/4 25-25-18WPM	1997	25,000
PT of N1/2 24-23-18WPM	1998	10,700

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

FINANCIAL STATEMENTS

For the year ended 31st March 2001

Bellas
&
Reid

Bellas & Reid
CHARTERED ACCOUNTANTS

Kenneth W. Bellas, B.Sc., C.A.
204 Rosser Avenue, Brandon, MB R7A 0J9 Phone: (204) 727-5746 Fax: (204) 727-5264

Harold E. Reid, B. Comm. (Hons.), C.A.
Box 610, Russell, MB R0J 1W0 Phone: (204) 773-2106 Fax: (204) 773-3410
(204) 842-5388

AUDITORS' REPORT

TO the Board of Directors of the
Upper Assiniboine River Conservation District No. 8:
Miniota, Manitoba

We have audited the balance sheet of **Upper Assiniboine River Conservation District No. 8 as at 31st March 2001** and the statements of revenue, expenditure and surplus and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization **AS AT 31ST MARCH 2001** and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Our audit opinion does not extend to the Schedule of Provincial Contributions presented by the District.

Russell, Manitoba
June 4, 2001

Bellas . Reid
CHARTERED ACCOUNTANTS

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

BALANCE SHEET

As at 31st March 2001

	2001	2000
ASSETS		
CURRENT		
Cash	$ 101,024	$ 34,110
Accounts receivable	11,090	68,786
GST receivable	1,913	4,387
Grant receivable - Prov of MB (Schedule - Page 9)	2,448	3,024
Inventories(Note 1)	3,125	4,933
Prepaid expenses	837	3,126
	120,437	118,366
CAPITAL ASSETS (Notes 1 and 2)	61,549	50,497
PATRONAGE DIVIDENDS	632	466
	$ 182,618	$ 169,329
LIABILITIES		
CURRENT		
Accounts payable	$ 76,183	$ 81,381
SURPLUS		
SURPLUS	106,435	87,948
	$ 182,618	$ 169,329

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

For the year ended 31st March 2001

	2001	2000
REVENUE		
Province of Manitoba grant	$ 209,424	$ 165,862
Municipal grants (Note 4)	62,863	47,620
Landowner	62,063	30,240
External Funding	55,581	79,517
Interest	2,563	2,538
	392,494	325,777
EXPENDITURE		
Wildlife	18,607	18,220
Office operation	18,416	23,430
Public education	34,256	13,542
Soil programs	95,072	61,519
Program support	120,495	105,691
Water programs	87,161	88,947
	374,007	311,349
NET INCOME FOR YEAR	18,487	14,428
SURPLUS, BEGINNING OF YEAR	87,948	73,520
SURPLUS, END OF YEAR	$ 106,435	$ 87,948

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
STATEMENT OF CASH FLOWS
For the year ended 31st March 2001

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for year	$ 18,487	$ 14,428
Adjustments for		
Amortization		8,386
Changes in non-cash working capital (Note 3)	59,645	(35,825)
	78,132	(13,011)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(11,052)	(12,769)
Change in other long-term assets	(166)	
	(11,218)	(12,769)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	66,914	(25,780)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	34,110	59,890
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 101,024	$ 34,110

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventory is valued at the lower of cost and net realizable value determined by the first-in, first-out method.

Capital Assets

Capital assets are recorded at cost. The organization is no longer recording amortization on all capital assets.

2. CAPITAL ASSETS

	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Office Equipment	$ 26,293	658		$ 26,951
Automotive Equipment	28,595	8,358		36,953
Trailer Equipment	545	2,035		2,580
Surveying Equipment	13,896			13,896
Water Testing	3,636			3,636
	72,965	11,051		84,016
ACCUMULATED AMORTIZATION				
Office Equipment	8,393			8,393
Automotive Equipment	11,473			11,473
Trailer Equipment	210			210
Surveying Equipment	2,073			2,073
Water Testing	318			318
	22,467			22,467
NET BOOK VALUE	$ 50,498			$ 61,549

3. CHANGES IN NON-CASH WORKING CAPITAL

Change in cash from changes in:

	2001	2000
Accounts receivable	$ 57,696	$ (39,537)
Inventories	1,808	(1,765)
Prepaid expenses	2,289	(2,603)
Other assets	3,050	(1,684)
Deferred expenses		(300)
Accounts payable	(5,198)	10,064
	$ 59,645	$ (35,825)

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2001

4. PRIOR YEAR'S FIGURES

The prior year's figures have been restated to conform to current year's presentation.

5. Municipal Grants

Grants received from local government involvement in the conservation district were the following:

	2001	2000
R.M. of Birtle	$ 10,306	$ 10,310
R.M. of Rossburn	6,318	6,314
R.M. of Hamiota	8,644	8,640
R.M. of Miniota	8,546	8,546
R.M. of Ellice	4,672	4,673
R.M. of Shoal Lake	6,736	6,753
Village of Hamiota	476	472
Town of Rossburn	386	385
Town of Shoal Lake	912	923
Town of Birtle	604	604
R.M. of Woodworth	15,263	
	$ 62,863	$ 47,620

6. Registered Charity

Upper Assiniboine River Conservation District No. 8 is now a registered charity. The conservation district is now capable of issuing out charitable donation receipts. There is no change to the GST method of reporting, the rebate allowed still falls under municipal government at 57.14%.

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE

For the year ended 31st March 2001

	2001	2000
Grant – Province of Manitoba	210,000	165,000
Less: Prior year receivable	3,024	2,162
GRANT RECEIVED	**206,976**	**162,838**
Less: Provincial Allocation	209,424	165,862
RECEIVABLE – PROVINCE OF MANITOBA	**2,448**	**3,024**

Bellas
&
Reid

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8

SCHEDULE OF PROVINCIAL CONTRIBUTIONS

For the year ended 31st March 2001

PROJECTS & PROGRAMS	Amount	Provincial	Local	External
OFFICE OPERATING COSTS				
Insurance	1,387	1,040	347	
Telephone/Internet/Cellular Phone	4,443	3,332	1,111	
Accounting & Legal	1,288	966	322	
Office Supplies/Computer Expense	6,198	3,983	1,328	887
Office Rent/Office Cleaning	3,600	2,700	900	
MCDA Dues	1,500	1,125	375	
	18,416	**13,146**	**4,383**	**887**
PROGRAM SUPPORT				
Staff Wages	82,673	52,681	17,560	12,432
Staff Expenses	12,208	9,156	3,052	
Board Remuneration	17,262	12,946	4,316	
Insurance/Maintenance/Gas	6,358	4,768	1,590	
Garage Rental	788	591	197	
Small Tools/Survey Supplies	1,206	905	301	
	120,495	**81,047**	**27,016**	**12,432**
PUBLIC EDUCATION				
Prints/Audio/Visual	337	252	85	
Conference & Training/School Programs	2,484	1,863	621	
Newsletters	1,690	1,267	423	
Signage	2,313	685	228	1,400
Grand Opening/Parades/Display/Tours	3,492	2,244	748	500
Management Plan	2,465	1,849	616	
Water Monitoring Supplies	70	52	18	
Promotional Items/Advertising	5,116	3,837	1,279	
MCDA Tour	2,411			2,411
Educational/Demonstration Projects	13,878	7,971	2,657	3,250
	34,256	**20,020**	**6,675**	**7,561**
SOIL PROGRAMS				
Landowner Seed	80,214	23,832	56,382	
Shelterbelt Programs	7,289	3,122	1,042	3,125
Forage Plot/District Seed	3,815	2,861	954	
Rotational Grazing/Twice Over Grazing	2,994	2,246	748	
Seeder Maintenance	760	570	190	
	95,072	**32,631**	**59,316**	**3,125**
BALANCE FORWARD	**268,239**	**146,844**	**97,390**	**24,005**

UPPER ASSINIBOINE RIVER CONSERVATION DISTRICT NO. 8
SCHEDULE OF PROVINCIAL CONTRIBUTIONS
For the year ended 31st March 2001

BALANCE FORWARD	**268,239**	**146,844**	**97,390**	**24,005**
WILDLIFE				
Snake Dens/Trout Stocking	2,306	1,730	576	
Conservation Corridor	904			904
0- Till/Salinity Seed	15,397	1,035	345	14,017
	18,607	**2,765**	**921**	**14,921**
LANDOWNER PROGRAMS				
Abandoned Wells	10,727	8,045	2,682	
Livestock Crossings	11,461	4,845	1,615	5,000
Alternative Water System/Erosion Control	8,644	6,483	2,161	
Small Dams/Shale Traps/Other	28,763	12,833	4,278	11,652
Maintenance	12,128	9,098	3,030	
Surveying Costs	15,438	11,579	3,860	
	87,161	**52,883**	**17,626**	**16,652**
SUBTOTAL	**374,007**	**202,492**	**115,937**	**55,578**
ASSETS PURCHASED				
Inventory	(1,808)	(1,356)	(452)	
Quad & Trailer Equipment	10,393	7,795	2,598	
Computer Upgrade	658	493	165	
	9,243	**6,932**	**2,311**	
TOTAL EXPENDITURE	**383,250**	**209,424**	**118,248**	**55,578**

WEST SOURIS RIVER CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2001

MEYERS NORRIS PENNY LLP

The Members
West Souris River Conservation District

AUDITORS' REPORT

We have examined the statement of financial position of the West Souris River Conservation District as at March 31, 2001 and the statements of operations for the year then ended. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The statement of operations has not combined the transactions of the bursary fund or other restricted funds with those of the Revenue fund. Had the statement of operations included the changes in net assets restricted for bursary purposes and the changes in other internally restricted net assets, the excess of expenses over revenues would have been $8,192 (2000, $34,043).

In our opinion, except that the statement of operations does not include the changes in internally restricted net assets or changes in net assets restricted for bursary purposes as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the district as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

July 11, 2001
Virden, Manitoba

A MEMBER OF
SUMMIT INTERNATIONAL
ASSOCIATES, INC

CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
233 QUEEN ST W, BOX 670, VIRDEN, MB R0M 2C0
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WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 1

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2001

	2000	2001
ASSETS		
CURRENT		
Cash	20,388	38,131
Accounts receivable (Note 3)	12,636	7,079
Inventory	2,394	2,864
Prepaid expenses	-	12,947
	35,418	61,021
CASH - RESTRICTED	23,317	23,430
CAPITAL ASSETS (Note 4)	199,830	171,308
OTHER		
Patronage equity account	614	1,220
	259,179	256,979
LIABILITIES		
CURRENT		
Accounts payable and accruals	18,151	17,065
Deferred revenue	33,466	63,769
Current portion of long term debt	10,000	4,285
	61,617	85,119
LONG TERM DEBT (Note 5)	114,244	96,734
NET ASSETS		
UNRESTRICTED NET ASSETS (NOTE 6)		
Balance - Beginning of year	61,428	27,281
Excess of expenses over revenues	34,147	8,305
Balance - End of year	27,281	18,976
INTERNALLY RESTRICTED NET ASSETS (Note 7)	32,720	32,720
NET ASSETS RESTRICTED FOR BURSARY PURPOSES (Note 8)	23,317	23,430
	259,179	256,979

ON BEHALF OF THE BOARD:

.... DIRECTOR

.... DIRECTOR

WEST SOURIS RIVER CONSERVATION DISTRICT

STATEMENT 2

STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUES		
Grants (Note 9)	201,482	248,951
Municipal Levies (Note 10)	41,320	41,320
Programs	112,879	120,895
Employment projects	2,310	1,935
Equipment rental	10,923	12,988
Interest and patronage allocations	1,153	2,707
Other	4,802	14,912
TOTAL REVENUES	374,869	443,708
EXPENSES		
General and administration		
Bad debts	112	-
Heat, light and water	1,887	1,502
Insurance and licences	4,163	3,790
Interest and bank charges	566	308
Interest - long term	1,096	9,622
Memberships	1,252	1,500
Office	11,584	23,433
Professional fees	750	1,218
Rent	5,150	-
Telephone	5,209	5,407
Wages and employee benefits	96,857	81,998
	128,626	128,778
Program delivery costs		
Advertising	4,838	5,404
Amortization	26,115	23,046
Board remuneration	10,193	5,484
Equipment lease	-	11,528
Equipment maintenance	13,706	12,970
Forage Program	75,932	101,095
General	1,186	979
GIS Resource Management	4,737	816
Public education - general	9,639	13,152
- other	3,211	933
Repairs and maintenance	697	1,304
Seminar and conferences	5,145	3,151
Truck	8,370	10,196
Sub-district programs (Schedule 1)	106,230	127,079
	269,999	317,137
TOTAL EXPENSES	398,625	445,915
LOSS FROM OPERATIONS	23,756	2,207
OTHER INCOME (EXPENSE)		
Bad debts recovered	-	131
Loss on disposal of capital assets	(10,391)	(6,229)
	(10,391)	(6,098)
EXCESS OF EXPENSES OVER REVENUES	34,147	8,305

MNP

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

NOTE 1 - OPERATIONS

The West Souris River Conservation District was incorporated under the laws of the Province of Manitoba, established primarily for the purpose of providing programs and education for the conservation of soil, water and wildlife. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

NOTE 2 - ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles except that a summary statement combining the operations of the Revenue fund, the Bursary fund and the restricted funds has not been provided and recommended terminology by the Canadian Institute of Chartered Accountants Handbook has not been adopted. Significant accounting policies include the following:

INVENTORY
Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS
Capital assets are recorded at cost. Donated equipment is recorded at estimated fair market value. Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Building	straight-line	5%
Equipment - self-propelled	straight-line	15%
- pull-type	straight-line	10%
- office	straight-line	10%

CAPITAL ASSET GRANTS
Claims for assistance under various capital asset grant programs are reflected as revenue in the period in which eligible expenses are incurred.

MEASUREMENT UNCERTAINTY
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

NOTE 3 - ACCOUNTS RECEIVABLE

NOTE 3 - ACCOUNTS RECEIVABLE	2000	2001
Trade accounts	7,392	3,279
Province of Manitoba (Schedule 3)	3,045	3,285
Other	2,199	515
	12,636	7,079

NOTE 4 - CAPITAL ASSETS

	2000	2001		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Building	118,032	129,338	12,678	116,660
Equipment - self-propelled	20,966	61,160	49,369	11,791
- pull-type	40,334	33,823	14,439	19,384
- office	20,498	40,215	16,742	23,473
	199,830	264,536	93,228	171,308

NOTE 5 - LONG-TERM DEBT

NOTE 5 - LONG-TERM DEBT	2000	2001
Mortgage payable	124,244	NIL
Debenture payable in annual instalments of $11,987 including interest at 7.625%, due December 1, 2014, secured by land and building.	NIL	101,019
Less: Current portion	10,000	4,285
	114,244	96,734

Principal repayments are estimated as follows:

2001	4,285
2002	4,612
2003	4,963
2004	5,342
2005	5,749

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

NOTE 6 - UNRESTRICTED NET ASSETS

The unrestricted net assets are the total assets and liabilities of the Revenue Fund. These net assets include working capital, equipment and respective long-term debt.

	2000	2001
Operating deficit	(48,305)	(51,313)
Equity in capital assets	75,586	70,289
	27,281	18,976

NOTE 7 - INTERNALLY RESTRICTED NET ASSETS

	2000	2001
	32,720	32,720

NOTE 8 - NET ASSETS RESTRICTED FOR BURSARY PURPOSES

	2000	2001
Balance - Beginning of year	23,213	23,317
Add: Interest	1,104	1,113
	24,317	24,430
Less: Scholarships paid	(1,000)	(1,000)
Balance - End of year	23,317	23,430

NOTE 9 - GRANTS

	2000	2001
Action 21 - Grazing Project	2,038	637
Agricultural Sustainability Program	3,150	1,875
Ducks Unlimited	5,299	8,950
Fisheries Enhancement Grant	6,600	11,098
Interprovincial Pipeline Inc.	-	1,458
Manitoba Hydro	-	3,000
Municipal Building Grants		21,693
National Soil and Water Program	11,056	-
Province of Manitoba – Rural Development	163,539	200,240
Rural Water Development Program	2,000	-
Special Conservation Fund	7,800	-
	201,482	248,951

MNP

WEST SOURIS RIVER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

NOTE 10 - MUNICIPAL LEVIES

	2000	2001
R.M. of Albert	6,570	6,570
R.M. of Cameron	9,080	9,080
R.M. of Edward	7,150	7,150
R.M. of Pipestone	11,900	11,900
R.M. of Sifton	6,620	6,620
	41,320	41,320

NOTE 11 - FUNDS HELD IN TRUST

Funds held in trust and administered by the West Souris River Conservation District are as follows:

	2000	2001
Grazing Project	188	801

NOTE 12 - COMMITMENTS

The Conservation District has entered into various lease agreements with estimated minimum annual payments as follows:

2002	6,955
2003	6,955
2004	1,900

NOTE 13 - FINANCIAL INSTRUMENT

The Conservation District, as part of its operations, carries a number of financial instruments. It is management's opinion that the conservation district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

NOTE 14 - STATEMENT OF CASH FLOW

The statement of cash flow has not been provided as it would not provide additional useful information.

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 1

SCHEDULE OF EXPENSES - SUB-DISTRICT PROGRAMS
YEAR ENDED MARCH 31, 2001

	2001								2000
	Plum Creek	Stoney Creek	Jackson Creek	Gainsborough/ S. Antler	N. Pipestone/ Sifton	Central Souris River	Elgin Creek	Total	
Soil projects	9,228	9,693	6,024	6,931	3,048	2,954	2,757	40,635	33,977
Urban Tree projects									3,574
Water projects	27,329	12,250	4,656	8,945	4,639	8,726	3,778	70,323	45,976
Wildlife projects	5,073	3,677				839		9,589	6,374
Recreation projects	6,130							6,130	13,817
Grazing projects	256			146				402	2,512
	48,016	25,620	10,680	16,022	7,687	12,519	6,535	127,079	134,578

WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 2

SCHEDULE OF COST SHARING
MARCH 31, 2001

	Total Expenditures	External	Provincial	Local
PROGRAM MANAGEMENT				
General	153,599	20,707	77,077	55,815
WATER PROGRAMS	70,989	17,473	40,137	13,379
WILDLIFE	17,680	13,408	2,855	1,417
SOILS	163,047	9,381	39,139	114,527
PUBLIC EDUCATION	25,546	7,872	12,725	4,949
TOTAL	430,861	68,841	171,933	190,087
ASSETS				
Office equipment/furnishings	2,075		1,556	519
Project support equipment	19,611		9,853	9,758
Computer equipment	4,922		3,692	1,230
Inventory	2,608		1,956	652
Office building	37,942	22,942	11,250	3,750
	498,019	91,783	200,240	205,996

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WEST SOURIS RIVER CONSERVATION DISTRICT

SCHEDULE 3

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE
MARCH 31, 2001

PROVINCIAL GRANT, 2000 -2001	200,000
LESS, 1999 - 2000 Provincial Grant Receivable	3,045
	196,955
LESS, 1999 - 2000 Allocated Grant (Schedule 2)	200,240
PROVINCIAL GRANT RECEIVABLE, 2000 -2001	3,285

Appendix K

WHITEMUD WATERSHED CONSERVATION DISTRICT

FINANCIAL STATEMENTS

MARCH 31, 2001

MNP
MEYERS NORRIS PENNY

The Members of the Board
Whitemud Watershed Conservation District

AUDITORS' REPORT

We have audited the balance sheet of Whitemud Watershed Conservation District as at March 31, 2001 and the statements of operations and surplus for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2001 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Meyers Norris Penny LLP
Chartered Accountants

Brandon, Manitoba
May 3, 2001

A MEMBER OF
SUMMIT INTERNATIONAL
ASSOCIATES, INC.

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WHITEMUD WATERSHED CONSERVATION DISTRICT

BALANCE SHEET
MARCH 31, 2001

	2000	2001
ASSETS		
CURRENT		
Cash	313,338	**405,131**
Accounts receivable	25,452	**502,414**
Inventory	51,036	**48,748**
Prepaid expenses	215	**18,572**
	390,041	**974,865**
CAPITAL ASSETS (Note 2)	90,783	**175,742**
	480,824	**1,150,607**
LIABILITIES AND SURPLUS		
CURRENT		
Accounts payable	27,011	**47,319**
Unearned outside funding	13,974	**54,120**
Unearned municipal levies	10,116	**49**
	51,101	**101,488**
WATERSHED PROGRAMS SURPLUS		
Sub-district program	74,907	**142,488**
General board program	29,556	**31,135**
Equipment program	129,360	**147,285**
Inventory program	24,821	**23,793**
Rosedale farm program	(1,235)	**528**
PR/PTH crossing reserve	-	**470,488**
CMRM Ltd. in trust	-	**30,000**
Emergency reserve	30,000	**30,000**
Sick leave reserve	21,174	**22,152**
Infrastructure program	120,000	**150,000**
U-Count reserve	1,140	**1,250**
	429,723	**1,049,119**
	480,824	**1,150,607**

ON BEHALF OF THE BOARD:

.... DIRECTOR

.... DIRECTOR

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM
YEAR ENDED MARCH 31, 2001

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
REVENUE				
Municipal levies	16,406	21,473	16,669	19,964
Province of Manitoba	57,510	37,626	27,753	28,061
	73,916	59,099	44,422	48,025
EXPENDITURES				
Channel maintenance				
Silt removal	18,657	4,911	4,735	5,430
Vegetation control	23,527	23,007	10,237	13,795
Miscellaneous	768	-	-	2,744
Crossings				
Repairs	9,331	5,191	2,562	4,952
Replacement	22,051	15,750	14,688	4,620
Water storage				
Goods and services tax	1,497	1,309	783	874
Property tax adjustments and interest	849	-	-	-
Infrastructure reserve	-	-	4,000	5,000
	76,680	50,168	37,005	37,415
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,764)	8,931	7,417	10,610
SURPLUS (DEFICIT), BEGINNING OF YEAR	7,649	21,029	4,812	1,198
SURPLUS, END OF YEAR	4,885	29,960	12,229	11,808

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM (CONTINUED)
YEAR ENDED MARCH 31, 2001

	Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43
REVENUE				
Municipal levies	19,736	8,721	34,239	51,807
Province of Manitoba	39,024	12,112	58,896	105,719
Grants	288	511	-	-
	59,048	21,344	93,135	157,526
EXPENDITURES				
Channel maintenance				
Grassed waterways	1,920	3,408	-	-
Silt removal	500	-	18,352	31,591
Vegetation control	22,771	11,185	11,750	41,788
Miscellaneous	96	405	1,577	3,939
Crossings				
Repairs	6,909	996	9,829	18,761
Replacement	16,637	-	24,917	32,408
Water storage				
Maintenance	880	-	400	-
Goods and services tax	918	155	1,703	2,871
Infrastructure reserve	1,400	-	10,000	9,600
	52,031	16,149	78,528	140,958
EXCESS OF REVENUE OVER EXPENDITURES	7,017	5,195	14,607	16,568
SURPLUS (DEFICIT), BEGINNING OF YEAR	(362)	16,603	6,073	17,905
SURPLUS, END OF YEAR	6,655	21,798	20,680	34,473

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
SUB-DISTRICT PROGRAM (CONTINUED)
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUE		
Municipal levies	202,177	189,015
Province of Manitoba	433,638	366,701
Grants	3,739	799
	639,554	556,515
EXPENDITURES		
Channel maintenance		
Grassed waterways	16,708	5,328
Silt removal	145,981	84,176
Vegetation control	233,809	158,060
Miscellaneous	9,584	9,529
Crossings		
Repairs	79,806	58,531
Replacement	26,716	131,071
Water storage		
Projects	2,619	-
Maintenance	8,163	1,280
Goods and services tax	11,985	10,110
Property tax adjustments and interest	22,814	849
Infrastructure reserve	20,000	30,000
	578,185	488,934
EXCESS OF REVENUE OVER EXPENDITURES	61,369	67,581
SURPLUS, BEGINNING OF YEAR	13,538	74,907
SURPLUS, END OF YEAR	74,907	142,488

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
GENERAL BOARD PROGRAM
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUE		
Province of Manitoba	253,473	285,247
Municipal levy	40,000	53,000
Interest earned	11,676	17,777
Co-op equity	136	25
Miscellaneous	45	-
Individual contributions	7,331	4,968
Special project funding	53,193	32,455
Federal/provincial grants	3,030	2,700
Forage program - landowner share	-	79,321
Transfer from equipment program	26,257	8,987
	395,141	484,480
EXPENDITURES		
Administration		
Manager's salary	41,782	45,291
Manager's expenses	3,521	5,562
Secretary - treasurer and secretary salaries	26,556	26,156
Board members remuneration and expenses	41,174	38,931
Superintendent's salary	40,095	42,009
Superintendent's expenses	13,925	11,947
Professional fees	1,650	1,900
Rent	16,172	16,172
Office supplies	12,186	15,901
Insurance	1,053	433
Amortization	4,899	6,123
Public relations	516	-
Small tools	1,377	1,488
Goods and services tax	2,796	3,253
	207,702	215,166
Specific programs		
Conservation corridors	-	149
Conservation corner treeplanting	8,803	-
Demonstrations	-	142
Forage crops	5,508	105,762
Riparian	(3,300)	128
Shelterbelts	12,439	15,260
Shelterbelt weed control	25,449	22,891
Summer student	14,241	9,332
Wildlands	12,379	14,401
Public education	23,606	29,095
Soils tech salary and expenses	40,662	40,817
Special project funding	53,193	29,758
	192,980	267,735
	400,682	482,901
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,541)	1,579
SURPLUS, BEGINNING OF YEAR	35,097	29,556
SURPLUS, END OF YEAR	29,556	31,135

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
EQUIPMENT PROGRAM
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUE		
Rentals	94,166	76,684
Gain on disposal of equipment	2,000	22,699
	96,166	99,383
EXPENDITURES		
Fuel and oil	14,493	14,688
Repairs and maintenance	24,202	20,820
Insurance and licenses	2,947	3,125
Amortization	30,505	28,083
Salaries	3,945	4,766
Goods and services tax	1,223	989
Transfer to general board program	26,257	8,987
	103,572	81,458
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(7,406)	17,925
SURPLUS, BEGINNING OF YEAR	136,766	129,360
SURPLUS, END OF YEAR	129,360	147,285

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
INVENTORY PROGRAM
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUE		
Sales	18,818	27,807
COST OF SALES		
Inventory, beginning of year	44,399	51,036
Purchases	22,119	20,781
	66,518	71,817
Inventory, end of year	51,036	48,748
	15,482	23,069
GROSS PROFIT	3,336	4,738
EXPENDITURES		
Amortization	161	161
Insurance	246	140
Goods and services tax	67	55
Salaries	2,124	3,146
Yard maintenance	2,329	2,264
	4,927	5,766
EXCESS OF EXPENDITURES OVER REVENUE	1,591	1,028
SURPLUS, BEGINNING OF YEAR	26,412	24,821
SURPLUS, END OF YEAR	24,821	23,793

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
ROSEDALE FARM PROGRAM
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUE		
Forage sales	8,353	12,800
Crop share	899	2,011
Patronage	1	15
	9,253	14,826
EXPENDITURES		
Fertilizer and rotovating	2,496	6,511
Harvesting	6,246	6,552
	8,742	13,063
EXCESS OF REVENUE OVER EXPENDITURES	511	1,763
SURPLUS (DEFICIT), BEGINNING OF YEAR	(1,746)	(1,235)
SURPLUS (DEFICIT), END OF YEAR	(1,235)	528

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
CMRM LTD IN TRUST
YEAR ENDED MARCH 31, 2001

	2000	**2001**
REVENUE		
Special project funding	-	**37,731**
EXPENDITURES		
Special project funding	-	**7,731**
SURPLUS, END OF YEAR	-	**30,000**

WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF OPERATIONS AND SURPLUS
PR/PTH CROSSING PROGRAM
YEAR ENDED MARCH 31, 2001

	2000	2001
REVENUE		
Intergovernmental Affairs grant	-	500,000
Interest earned	-	36,186
	-	536,186
EXPENDITURES		
Sub-district program #42	-	27,621
Sub-district program #43	-	38,077
	-	65,698
SURPLUS, END OF YEAR	-	470,488

WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2001

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1. OPERATIONS AND ACCOUNTING POLICIES

Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on March 22, 1972. The District receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the Conservation District. The District is exempt from income taxes.

The financial statements have been prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

INVENTORY

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method.

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the following method and rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

	Method	Rate
Building	straight line	5%
Fence	straight line	5%
Equipment	straight line	15%

2. CAPITAL ASSETS

	2000	2001		
	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	1,835	1,835	-	1,835
Building	9,003	27,644	19,285	8,359
Fence	-	5,339	5,339	-
Equipment	79,945	398,335	232,787	165,548
	90,783	433,153	257,411	175,742

3. LEASE COMMITMENT

The District occupies leased premises subject to a minimum annual rental of $16,657 until 2002.

4. SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and one-quarter days per month employed. At March 31, 2001, the aggregate amount of possible claims was $55,822.

WHITEMUD WATERSHED CONSERVATION DISTRICT

SCHEDULE OF COST-SHARING
FOR THE YEAR ENDED MARCH 31, 2001

	Cost Share	Total Expenditures	Provincial	Local	External
PROGRAM MANAGEMENT					
General	75/25/0	212,860	159,645	53,215	-
Other	0/100/0	2,307	-	2,307	-
ASSETS					
Office Equipment	75/25/0	-	-	-	-
Infrastructure Reserve Account	75/25/0	30,000	22,500	7,500	-
PUBLIC EDUCATION					
General	75/25/0	38,427	28,820	9,607	-
CarPlac/CarStrt/Mb Hyd/MillennBureau	0/0/100	16,103	-	-	16,103
SOILS					
Soil Technician Salary & Expenses	75/25/0	40,817	30,613	10,204	-
Shelterbelt/Gully/Riparian/Soils Demo	75/25/0	38,421	28,816	9,605	-
Forage Assistance	25/75/0	105,762	26,440	79,322	-
WILDLIFE/FISHERIES					
Wildlife Programs/Conservation Corridors	75/25/0	14,550	10,913	3,637	-
Hab Cons Prg (DU)/Fisheries Enhanmnt	0/0/100	13,655	-	-	13,655
WATER					
Maintenance	75/25/0	258,372	193,779	64,593	-
New Projects/Reconstruction	75/25/0	-	-	-	-
CROSSINGS					
Repairs/Replacements	75/25/0	189,603	142,202	47,401	-
PR/PTH Crossing Funding	0/0/100	65,698	-	-	65,698
OTHER					
GST/Tax Adj & Int	75/25/0	10,959	8,219	2,740	-
CMRM Ltd.	0/0/100	7,731	-	-	7,731
TOTAL EXPENDITURES		**1,045,265**	**651,947** **62%**	**290,131** **28%**	**103,187** **10%**

SCHEDULE OF PROVINCIAL GRANT RECEIVABLE/PAYABLE
YEAR ENDED MARCH 31, 2001

LESS, 1999-2000 Provincial Grant Receivable	**18,545**
PROVINCIAL GRANT, 2000-2001	**670,000**
	651,455
LESS, 2000-2001 Allocated Grant	**651,947**
PROVINCIAL GRANT RECEIVABLE 2001-2002	**492**